

# Business in Germany?

Landesbanken  
Girozentralen  
Sparkassen

# FINANCIAL TIMES

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SERVING THE MOTOR INDUSTRY

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## GENERAL

### Royal couple agree to part

Princess Margaret and Lord Snowdon are to separate after 16 years of marriage. Official confirmation of the break-up came yesterday in a statement from Kensington Palace, the Princess's home.

The statement said: HRH The Princess Margaret, Countess of Snowdon and the Earl of Snowdon have mutually agreed to live apart. The Princess will carry out her public duties and functions unaccompanied by Lord Snowdon. There are no plans for divorce proceedings.

### 'Best course'

Major John Griffin, Princess Margaret's Press secretary, said: "A separation was the best course to take in all the circumstances bearing in mind in particular the interests of the two children—Viscount Linley, 14, and Lady Sarah Armstrong-Jones, who is 11.

Last evening the princess and her children joined the Queen Mother at Royal Lodge, Windsor, for the week-end. The Queen will be at Windsor Castle.

### 41 police hurt in Hendon clash

Forty-one policemen were injured yesterday during a running clash with about 100 marchers on a right-to-work trek from Manchester to London. The clash came as the demonstrators—the march was organised by the Trotskyist International Socialists—reached West Hendon police station on London's outskirts and ignored police instructions. Thirty-three people were detained. The marchers plan a mass protest against unemployment at the Albert Hall to-day. Page 12

### Attempt to kill Lebanon leader

Mr. Rashid Karami, Prime Minister of Lebanon, escaped unhurt when a Syrian YAK aircraft in which he was seated for take-off for Damascus was hit by an incendiary rocket and set on fire on the runway at Beirut airport. Page 13

### Dog case pilot gets two years

Airline pilot Andrew Gino Newton, 39, who admitted shooting a Great Dane dog belonging to male model Norman Scott, 36, was jailed yesterday for two years at Exeter Crown Court after the jury had returned a unanimous verdict of guilty on a charge of having a firearm with intent to endanger life. Mr. Scott is the man at the centre of allegations against Mr. Jeremy Thorpe, Leader of the Liberal Party. Page 12

### Dublin jails a Provo leader

Brendan Magill, 42, a former director of the Provisional IRA's political activities in Britain was jailed for 12 months yesterday at Dublin's no-jury Special Criminal Court for membership of the IRA. Page 13

### Briefly...

Field Marshal Viscount Montgomery of Alamein is ill at his home near Alton, Hants. He was 88 last November.  
British Summer Time begins at 2 am to-morrow when clocks should be put forward one hour.  
Miss England, selected in London last night, is 23-year-old Pauline Davies, Miss Manchester North.

## CHIEF PRICE CHANGES YESTERDAY

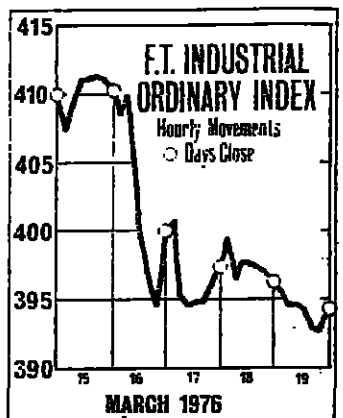
(Prices in pence unless otherwise indicated.)

RISERS	
Treasury Spc 1978...	874 + 1
Ass. BK. Publishers...	92 + 4
Beaumont Clark...	92 + 4
BH Prop...	735 + 13
Fairbairn Lawson...	34 + 4
M. L. Holdings...	72 + 4
Pontins...	28 + 21
Refuge Assurance 'A'...	260 + 8
Sime Darby...	106 + 2
Weyburn Eng...	133 + 10
Wigfall (H.)...	170 + 3
Wolf Electric Tools...	122 + 4
CRA...	273 + 15
Norbridge...	400 + 20
Utah Mining...	190 + 1
Westfield Minerals...	175 + 12
FALLS	
Stk. Rhod. 6% '78-81...	541 - 4
Beaverbrook 'A'...	29 - 3

## BUSINESS

### Equities down 15.7 on week

● EQUITIES drifted lower in idle trading. The FT 30-share index closed off the bottom at 394.3, down 1.8. With political



uncertainty, the index fell 15.7 on the week, while the loss on the Account was 10.4.

● GILTS made fractional gains where changed.

● WALL STREET closed unchanged at 979.85 with slow trade.

● MINIMUM LENDING RATE was unchanged at 9 per cent.

● STERLING closed 25 points lower at \$1.9215. Its trade-weighted depreciation widened to 33.8 (33.6) per cent. Dollar's weighted fall widened to 2.07 (1.93) per cent.

● GOLD fell \$1 to \$133.1.

### Electricity prices up

● ELECTRICITY prices will rise by an average of 16½ per cent for householders and about 13 per cent for commercial and industrial users by mid-summer. Back Page

● ARAMCO, the Arabian American Oil Company, has confirmed the discovery of three new Saudi Arabian oilfields with total reserves nearly half those believed under the U.K. sector of the North Sea. Back Page

● LEYLAND has acquired complete control of its West German distributor, A. Bruggemann, in a £1.6m. deal, after the fall in Leyland's market share there last year. Page 15

● BANKS are seeking changes in the price code to allow more extensive rises in charges. Page 11

● ULSTER ECONOMIC inquiry will be set up by the Government to try to find ways to attract new industry. Page 11

● PAY POLICY's next stage must be tough and consistent with cutting inflation to 5 per cent, or less, says Sir Campbell Adamson, CBI director-general. Page 12

● ROAD HAULIERS have been cautioned against entering into price wars. Page 11

● PAPER AND BOARD industry suffered a 31 per cent drop in production and shed 4,000 employees last year. Page 12

## COMPANIES

● ALCAN Aluminium (U.K.) made a pre-tax loss of £4m. in the second half of 1975, bringing the year's deficit to £5.5m., compared with a £7.7m. profit in 1974. Sales were almost £24m. lower at £158.9m. Page 18

● LEX SERVICE Group increased pre-tax profit last year to £4.09m. (£3.7m.), with higher turnover of £190m. (£165m.). Page 16 and Lex

● SIME DARBY increased first-half pre-tax profits to December to £13.3m. (£12.4m.) despite lower turnover of £127m. (£152m.). Page 16 and Lex

● MARITIME FRUIT CARRIERS subsidiary Universal Gas and Oil has cancelled contracts for building a natural gas carrier in France and two offshore oil rigs in the U.S. Page 13

## Rhodesian talks break down over majority rule

BY BRIDGET BLOOM, SALISBURY: March 19

Talks between the Rhodesian Government and the Rhodesia-based African National Council, aimed at achieving a settlement of Rhodesia's 10½-year-old illegal independence, finally broke down to-night after nearly six months of discussions.

Mr. Joshua Nkomo, the ANC leader, who was first to announce the breakdown, said the talks had foundered "on the single and fundamental issue of majority rule."

The ANC had demanded majority rule within 12 months of an agreed settlement, but the Rhodesian Government's offer was of majority rule in 10 to 15 years.

The collapse of the talks comes as little surprise, since from their start most observers have believed that a compromise on the central issue of majority rule was highly unlikely.

Mr. Nkomo said that he had no option now but to help intensify the armed struggle in Rhodesia "which is now in full swing."

In a statement he said "The total breakdown of the negotiations in Rhodesia has now demonstrated to all and sundry that nothing can be achieved by a peace strategy."

In a statement to the Press after less than an hour's meeting with Mr. Smith this afternoon, Mr. Nkomo said that "as the South African Prime Minister put it, what will now happen is too ghastly to contemplate."

Mr. Smith said that the responsibility for what now faces our country lies squarely and exclusively on the shoulders of Ian Smith and his colleagues.

Mr. Nkomo declared that these consequences would not be of the ANC's choosing or making. "We did everything we could to find a solution," but after "months of evasiveness and prevarication by the regime" he had concluded that "we live in different worlds and speak different languages."

Mr. Smith's statement gave two reasons for the breakdown of the talks.

First, was the demand that the Rhodesian government should surrender its authority forthwith, suspend Parliament and hand over its authority to an interim Council composed of equal numbers of government and ANC Ministers, with a chairman appointed by Britain to exercise a casting vote.

The second reason was ANC insistence upon a parliamentary structure and franchise qualifications which would ensure a substantial African majority in Parliament at the first election.

These demands, said Mr. Smith, were "unacceptable to my government and I am satisfied that they would be equally unacceptable not only to the electorate, but the majority of responsible Rhodesians."

In his statement to-night, Mr. Smith repeated his belief that Britain should call and chair a constitutional conference. But it seemed clear from his parring answers to questions that he neither believed this would serve much purpose now, nor that he was in favour of a conference which would include African leaders from the rival externally based African National Council.

The 0.1 per cent increase in consumer prices in February compared with a 0.4 per cent rise in the previous month and an average monthly increase of 0.6 per cent in the last quarter of 1975.

The Administration, for the record, is still sticking to its official Budget forecasts for the year—which estimate a 5.8 per cent increase in consumer prices and a 0.3 per cent overall rate of inflation as measured by the GNP deflator.

However, consistent with the prevailing mood of economic optimism in Washington, which itself may owe something to President Ford's performance in the primary elections, some officials have been permitting themselves more rosy forecasts.

Meanwhile the Commerce Department announced to-day that corporate profits had picked up in the last quarter of last year, though not sufficiently to avoid an overall annual decline. In the last quarter they rose by 2.3 per cent over the previous three months, but for the year as a whole fell by 11.3 per cent, the first annual fall since the 1970 recession.

The Department also slightly upgraded the final quarter increase in gross national product from the original estimate of 4.9 per cent to 5.0 per cent.

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## U.S. price

## rise rates

## are still

## falling

By Jurek Martin, U.S. Editor

WASHINGTON, March 19.

CONSUMER PRICES last month rose by only one tenth of one per cent in the U.S., the smallest monthly increase in more than four years.

A sharp drop in grocery prices was the principal reason behind the latest in a progressively long line of encouraging statistics on the state of the American economy.

The food component part of the Consumer Price Index fell by a full one per cent in February, seasonally adjusted, with prices in the month actually declining by an adjusted 5.9 per cent.

The figures were, in part, predictable, since wholesale prices have either fallen or remained stable since last November, largely because of low farm prices.

Nevertheless, they provide plenty of ammunition for the Administration to bolster its claims that its economic policies are succeeding in reducing both unemployment, now down to 7.6 per cent, and inflation.

The 0.1 per cent increase in consumer prices in February compared with a 0.4 per cent rise in the previous month and an average monthly increase of 0.6 per cent in the last quarter of 1975.

The Administration, for the record, is still sticking to its official Budget forecasts for the year—which estimate a 5.8 per cent increase in consumer prices and a 0.3 per cent overall rate of inflation as measured by the GNP deflator.

However, consistent with the prevailing mood of economic optimism in Washington, which itself may owe something to President Ford's performance in the primary elections, some officials have been permitting themselves more rosy forecasts.

Meanwhile the Commerce Department announced to-day that corporate profits had picked up in the last quarter of last year, though not sufficiently to avoid an overall annual decline. In the last quarter they rose by 2.3 per cent over the previous three months, but for the year as a whole fell by 11.3 per cent, the first annual fall since the 1970 recession.

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# Your savings and investments

## Hope in the camp

BY CHRISTOPHER HILL

WHEN ONE has a sterling crisis, the resignation of a Prime Minister, an unknown Budget, and a major wage negotiation in the offing, it is not surprising that the stock market should be wobbling. It also seems reasonable that the average investor should begin to think in cautious terms again and indeed this already seems to be happening—gross unit trust sales were £6m. down to £51m. in February as compared to January, despite the continuing interest in high yielding funds.

But there is a big difference in thinking that the market is having a difficult period in the course of an upturn and wondering whether the bull market in the U.K. has run its course. I suspect that a lot of investors who have been tempted into the market over the past couple of months are hoping that they have not been rushing through the door that the professionals have been trying to get out of. They might take comfort, however, from the general tenor of opinion that 1976 should still be a good year for the U.K. stock market. A chartist's view from David Fuller of Chart Analysis reveals that he finds the U.K. market technically "very good" in view of all the bearish news and he expects a rise to 450-475 in the FT Ordinary index by the end of summer with a recovery once the Labour Party leadership uncertainty is removed. The fundamentalists are also still optimistic, for Hill Samuel, Slater Walker and National Provident Institution are showing no signs of going liquid and the general feeling is that whatever the shortcomings of the U.K. market may be, it is liable to be dragged up by the bull trends in other major markets.

## Charging up expenses

THE SCOTTISH Equitable was the latest of the long established traditional life companies to enter the unit-linked field. In January, it introduced its single premium fund, the SE Growth Plan, and this week it followed up with the launch of a regular saving scheme, the SE Investment Plan. In each case the investment vehicle is the company's own unit trust.

The feature of the scheme is that the premiums paid are invested 100 per cent. in units, at least for investors under age 45, and the company will take the expenses from the income derived from the units. This is very much a departure from normal practice with unit-linked contracts which is to specify the expenses loadings, but it is one that has been adopted by other traditional life companies, notably Crusader, Equity and Law, GRE and London Life when they launched unit-linked contracts.

The dangers of charging expenses to income are that there is no limit imposed on those expenses as there is with fixed

their liquidity in the final quarter of 1975 whereas they were frantic in their efforts to get rid of cash in the first and second quarters. This may be distorted by the recent taking out of new loans to buy overseas stocks with sterling as the back-to-back deposit.

And what of gold amid the currency crisis? In previous crises the metal has been a natural hedge, but the prospect of a IMF sale has proved to be a bearish factor and there has been little movement in either the bullion price or the price of the once-popular Kruggerand. Dealers report that domestic demand is still very dull and the demand from the Continent (especially France) has been for the more traditional "new" sovereign.

## Paying back

THE CRUCIAL factor behind the Lattimer Robinson affair as revealed by my colleague Eric Short last week was the confusion between the broker's working capital and money held by the client while in transit to the insurance companies. In terms of National Life where the amounts outstanding and the pickings of the D.O.T. and the Liquidator are enormous, the amounts involved for Lattimer Robinson are relatively modest. But as usual it is the client who gets the thin end of the wedge with no one admitting liability. Let's hope someone coughs up to the unfortunate client this time with the minimum of fuss either inside or outside the insurance industry. It is worth that for the sake of goodwill and the good name of the broking fraternity which has had a lot of flak recently.

Now of course, with the experiences of 1975 fresh in their memories most operators have increased capacity for 1976 by as much as 20 per cent. in some cases so any reduction in demand would have an even greater impact. Horizon, Midlands, however, remains fairly optimistic, even though it has increased capacity by about 10 per cent. Bookings over the past four weeks have been at around the comparable

## Overseas holiday appeal

BY DAVID WRIGHT

levels of a year ago although overall the volume figure is about 5 per cent. lower. This is, however, distorted by the fact that the past winter season was extended by two weeks thereby reducing the current summer period. The winter season has proved successful for Horizon Midlands with bookings at over 43,000 and a load factor of about 80 per cent. That will give a sound base for 1973-76 and with margins currently being held following the cut price war of 1974 another sound profits performance is on the cards. Last year with the company boasting a load factor of 93 per cent, profits recovered from £201,000 to a record £1,051,000. This puts the shares at 41p on a p/e of just under 3 and a yield of 9.7 per cent.

Pontins, which apart from its U.K. activities, operates four overseas and seven holiday villages hotels is equally satisfied

with the shares at 26½p.

Swan Ryan is obviously concerned about the problems in Spain since it has reduced its dependence on the area in 1976 from 70 per cent. to 55 per cent. in favour of the now more popular Italian holidays. That should prove a boost for the company and with borrowings now down to about 25 per cent. of shareholder funds (against about 30 per cent.) following a halving of medium term advances to hotels, the better showing should be seen at the earnings level. Last year profits fell from £458,000 to £302,000 after a doubtful debt provision of £122,000 and an increase of £100,000 in interest charges. At 10p the shares are yielding 12½ per cent. while the p/e is just under 9.

Malta is another area that seems to be gaining in popularity. There was a 29 per cent. increase in tourism in 1974

while in 1975 the figure jumped a further 23 per cent. to over 354,000. Bookings so far this year are equally encouraging and this must be reflected in results of the Maltese-based Kursaal Company. The company which is quoted on the London Stock Exchange used to be owned by Ladbroke but is now controlled by a family trust. Kursaal operates the Dragonara Hotel and Casino and profits for the half year to November rose from £2108,000 to £2132,000. Future developments here include the purchase of an interest in a hotel in Sicily along with the possible acquisition of the Grand Hotel Verdala in Malta where the group already has a 13 per cent. stake. The shares at 150p are yielding 8½ per cent.

The feeling across the Board then, is that while the load factors are likely to fall below the exceptional figure of 1975 the impact on profits is unlikely to be catastrophic and as such dividend levels look fairly safe. That in turn gives the sector an attractive look on an income basis with yields almost twice the industrial average.

## Focus on capital gains

INVESTORS HAVE, in the wake of the original introduction by a Conservative Chancellor, Mr. Selwyn Lloyd, in 1962. It was introduced by a Labour Chancellor, too often for comfort, realised within six months being taxed as income. As the introduction of new tax systems coincided with a depressed equity market, its or a raising of rates on existing measures. Although attention was never assessed.

The full-blooded capital gains tax system was introduced in 1965 by Mr. James Callaghan, who extended the short term period to one year and introduced a long term rate of 30 per cent. on realised gains after one year. It took investors some time to come to terms with the implications of CGT and deal-ings were depressed for quite a while after the introduction. In 1970, Mr. Anthony Barber, a Conservative Chancellor, abolished the differential between short and long term gains and charged all capital gains at the same rate—30 per cent.

The Trades Union Congress has pressed the Government from time to time to increase the CGT rate to 40 per cent. and last year Mr. Healey, the present Chancellor, made the point that in his opinion tax on capital gains over the short term was too low. There are pressures for a return to a differential system of CGT and speculation is that short term gains would be taxed at a flat rate at about the level of corporation tax (at present 55 per cent.) rather than as income. The implications for the individual investor are that he will be strongly discouraged from wheeling and dealing in equities, gilts and unit trusts. There are two areas where substantial concessions have been made to CGT—gilts and unit trusts. If these concessions are still applied to gilts and to the management of unit trusts, as is expected, then the financial planners will be able to promote even stronger the longer-term schemes which they have designed involving these two media. What will be discouraged is short term schemes such as buying stocks when they go ex-dividend and selling just before they next go ex-dividend when the gain, which includes accrued income is taxed as capital.

# A World of Growth Opportunities

## GARTMORE INTERNATIONAL UNIT TRUST

### Three questions for you.

- 1) Do you know which of the world's stock markets will go up next?
- 2) Assuming you do: can you invest there, before the boom starts?
- 3) Assuming you can: will you know what to do next?

FOR THE ordinary investor, the answer is most probably no. This is why, especially today, it is so right to think in terms of a unit trust.

BECAUSE TODAY, in the economic, political and monetary spheres, there seems to be only one constant factor: change. It is from this constant change that opportunity arises. At the same time, and for the same reasons, one compelling need arises too: it is the need to be flexible; to be able, at short notice, to move investments from one economy to another; from one country to another; from one situation to another.

### Opportunity; and need

It is this combination, of opportunity and need, that make such a powerful case for Gartmore International Trust; because although it has such impressive resources behind it, it is—comparatively—small, and "light on its feet". When it is tactically right to do so, the Managers can swiftly alter the whole balance of the fund.

FOR REASONS of timing, of expertise, and of a prudent investment spread, there is no substitute for full-time, professional investment management. This, we can offer—with the benefit, too, of considerable tax advantages.

### Consider the two largest sectors

IN THE USA, many conditions exist which give rise to optimism about the stock market in 1976. On the economic side there is the general recovery which began in the second half of 1975; and 1976, being both the Bicentennial and Presidential-election year, provides a political climate in which it is likely that every effort will be made to sustain this trend. The Stock Market has seen more breadth of activity than at any time since 1968, and it may well be that we are seeing a return to the long-term upward trend in share prices on Wall Street.

HONG KONG, as well as having a 'shop-window' economy of great natural vigour, is at the centre of a worldwide network of communications, shipping and aviation. It has a stable currency backed by substantial reserves, and flourishing commerce and industry. Prospects for 1976 indicate expanding exports and a solidly-based 9% growth in GDP.

BUT ALL this is not to say that Europe is being ignored. 20% of the portfolio is invested in UK and other European shares. OVERALL, the international spread is in the following proportions:

USA 36.1%	Japan 10.2%
Hong Kong 24.3%	Others 10.9%
UK 13.6%	Cash 4.9%

THESE proportions will vary as investment conditions require. Furthermore, we have negotiated a back-to-back currency loan agreement which is used for part of the fund. This mitigates the effect of the dollar premium, not only in making purchases, but also in switching investments which would otherwise be subject to the penalty of surrendering 25% of the investment dollar premium.

### Above-average growth

THE AIM and purpose of the fund is to provide an above-average rate of capital growth. We do not, therefore, make dividend distributions; all income is retained within the fund and used to purchase further investments.

### The offer

GARTMORE International Units are on offer at the fixed price of 31.1p until 26th March 1976. At this price the gross yield is estimated at 2.0%.

YOU SHOULD regard your investment as long term.

THE PRICE of units and the income from them can go down as well as up.

### Cash not essential

IF IT IS NOT convenient for you to lay out cash immediately, you can take advantage of this new growth opportunity by exchanging your shares for units.

FOR DETAILS of this service, just return the coupon with a tick in the 'Share Exchange' box.

## The Gartmore Credentials

WHAT MAKES GARTMORE SO POPULAR WITH PROFESSIONAL INVESTMENT ADVISERS?

The first public offer of units by Gartmore Fund Managers Ltd. was made in March, 1975.

Since that date, nearly two-thirds of the money subscribed has come not directly from the public but through stockbrokers, banks, solicitors and other professional advisers; men whose job it is to advise clients on investments.

Why do they so pointedly favour Gartmore?

The reason is that Gartmore is an established City institution with all that name implies.

Although "the City" is an international byword, the big City institutions and the big City firms, which are its component parts, are generally almost unknown outside the Square Mile. They may be old-established; they may be as solid as rocks and even by their own terms, famous. They may handle millions of pounds a week, every week of the year. Gartmore Investment is just such a company. Its business is investment management and it currently manages

over £400m. of funds for investment trusts, insurance companies, private clients' accounts and pension funds of both private and public companies. These funds are spread over every major stock market in the world.

Gartmore Fund Managers Ltd. is a wholly owned subsidiary of Gartmore Investment Ltd. It currently manages eight Unit Trusts valued at £1.4m.

It is with this authority behind us that we offer our International Units to the British public.

## TARGET COMMODITY FUND

A WISE WAY TO INVEST IN COMMODITY SHARES

This Fund aims to achieve capital appreciation through investment in a broad spread of shares in companies which produce or trade in the world's commodities and natural resources. Examples include the base metals, silver, gold, cocoa, coffee, rubber, grains, sugar, wool, meat, vegetables and oils. There are many more. Individually the markets are a sizeable and volatile area and the shares of the companies concerned tend to fluctuate widely. The fund is a diversified portfolio of shares in the Target Commodity Fund which will help to spread the risk and provide a steady income. The price of units and the income from them can go down as well as up.

INVESTMENT MANAGERS: DAWNEY, DAY & CO., LTD. OFFER OF UNITS AT 25p EACH UNTIL 26th MARCH 1976

Estimated current gross annual yield 2.5% per annum

APPLY TO: Target Commodity Fund, 100, The Quadrant, London EC4A 3DF. The Managers believe that the major commodities will retain their real values over the years, but that long term protection against the persistent devaluation of individual currencies due to inflationary policies and against general world inflation. Units should be regarded as a long term investment. The price of units and the income from them can go down as well as up. The price of units and the income from them can go down as well as up.

Target Commodity Fund Units at 25p each

I/we wish to invest £ in Target Commodity Fund units at 25p each

and enclose a cheque made payable to Gartmore Fund Managers Limited

I/we declare I am not a resident of the Republic of Ireland and I am not entitled to the benefits of the Double Taxation Agreement between the UK and Ireland. This offer is not available to residents of the Republic of Ireland. This offer closes on 26th March, 1976.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name in full: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Printed name and address of the person(s) to whom the certificate will be sent: \_\_\_\_\_

Printed name and address of the person(s) to whom the certificate will be sent: \_\_\_\_\_

Fill in the coupon and send it now. To: Gartmore Fund Managers Ltd., 2 St. Mary Axe, London EC3A 8BP. (Reg. No. 1137333)

Units are on offer at the fixed price of 31.1p each until 26th March, 1976, giving an estimated current gross yield of 2.0% per annum.

I/we should like to buy Gartmore International Units on a regular monthly basis.

I/we enclose a remittance, payable to Gartmore Fund Managers Ltd.

I/we declare that I am/We are not resident outside the UK or in a "Sovereign Territory" and that I am/We are not acquiring the units as the nominee(s) of any person(s) resident outside the UK or in a "Sovereign Territory". (If you are unable to sign this declaration it should be deleted and your application lodged through a solicited intermediary.)

SURNAME (MR. MRS. MISS) \_\_\_\_\_

FIRST NAME(S) IN FULL \_\_\_\_\_

ADDRESS \_\_\_\_\_

SIGNATURE(S) \_\_\_\_\_

(If there are joint applicants all must sign and attach names and addresses separately.)



# Finance and the family

## Animals on the highway

BY OUR LEGAL STAFF

Two valuable dogs are taken out in the dark on a country road. One is lost and runs directly in the path of a car with headlights on and travelling at a normal speed. Is the dog owner liable for the ensuing damage for not having proper control of the dog on a public highway?

The Animals Act 1971 reversed the previous rule as to animals straying on the highway. Now the ordinary principles of the law of negligence apply. The dog owner would therefore be liable for damage caused to a vehicle, and for consequential damage, if it is established that the owner was not exercising the care and control over the dog which a reasonable person would, in all the circumstances, be expected to exercise. Your description of the circumstances suggests that that could well be the case.

### Establishing the facts

Divorce proceedings are in progress between my wife and myself. I have declared all my assets, but my wife denies the existence of a trust fund from which she stands to benefit. My information comes from an estate agent. I believe, of the trust which is worth some £200,000, and which she would be entitled to half on the death of her parents, both of whom are in their 80s and in poor health. What should I do?

You should invite the solicitor who is acting for you in the divorce proceedings to consider filing an affidavit from you setting out the matters you mention in your letter as being true to the best of your information and belief and naming the estate agent trustee as the source of

your information. The court can then be invited to act on your affidavit unless your wife secures evidence from your informant showing that what you say is not accurate.

### Selling part of the garden

My house and garden comprise 1 acre and I am applying for planning permission with a view to selling 9,500 square feet of the garden. Assuming permission is not obtained and the sale not made before April 1 next, could you tell me (a) would any liability to Development Land Tax be incurred; (b) am I correct in supposing that the area involved is exempt from the provisions of the Community Land Act and (c) is it right that I shall not be liable to capital gains or other tax?

(a) On the basis of the Bill as published, you will be exempt from development land tax, provided that the house in question has been your main residence throughout at least 12 of the 24 months ending on the date of the disposal of the land. The detailed rules are set out in clause 14 and are explained briefly on page 18 of the explanatory notes to the Bill, obtainable from the Board of Inland Revenue.

(b) Under class 5 of part 1 of the schedule to the Community Land (Exempted Development) Regulations, the erection of a building whose gross floor space does not exceed 1,000 square metres (roughly 10,764 square feet) is exempted development. Gross floor space is to be ascertained by external measurement, irrespective of the existence of external walls, under regulation 2(1c).

(c) From what you say, and on the assumption that the house in question is your main residence for capital gains tax purposes (and always has been, at least since April 6, 1965), the sale of the land will be exempt from capital gains tax and from income tax under the 1974 development gains legislation. It is unlikely that the transaction would be regarded as an adventure in the nature of trade.

### Maintenance of a husband

Following a divorce, I remarried, and when I retired my alimony was reduced. However, my present wife now has an income of £4,000 a year. Would this be taken into account in any re-assessment to my alimony?

Your present wife's income would normally not be taken into account unless she was making you an allowance out of it on a regular basis. This is because she has no obligation in law to maintain you.

### Remission of pension

Under the old "remittance basis" of taxation I had my colonial service pension paid in the Channel Islands, and accumulated funds there in the form of shares and gilt-edged securities. Am I right in thinking that these investments could now be realised and the proceeds remitted to this country, where I am resident for tax purposes, without incurring any further U.K. tax liability?

Yes, you can remit the whole of your past and current pension payments to the U.K. without

affecting your income tax liability, provided that you are both ordinarily resident and domiciled in this country (as well as resident here). This is confirmed in paragraph 6.11 of the booklet on the taxation of foreign earnings and pensions which was issued by the Inland Revenue in January of last year.

"Six.11. A person who becomes liable to tax after April 5, 1974 on the arising basis in respect of a pension or annuity previously chargeable on the remittance basis will not be taxed on remittances made after April 5, 1974 of pensions for years prior to 1973-74."

Copies of this free booklet (1235) are obtainable from most tax inspectors' offices.

### Distribution of a trust

I live in Guernsey and am the settlor of a discretionary trust made in the U.K. prior to March 27, 1974. With the trustees I am discussing the distribution to the beneficiaries of the whole of the trust fund in the near future in order to take advantage of the reduced rates of capital transfer tax that apply to distributions from such trusts, made prior to March 31, 1980. However my understanding is that if I die within seven years of the original settlement, the trust fund would be taxed under the old estate duty laws. In that event, even though CTT would have been paid on the distribution of the fund, an additional tax liability may arise. If the whole of the fund is

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

distributed how would any additional tax liability be met. Would it be levied on my estate, on the beneficiaries to whom the fund had been distributed, or on the trustees? In the event that the trustees would be liable can you suggest a simple means, by which I can provide to indemnify them?

There may indeed be a CTT liability on a gift made before March 27, 1974, under Section 22 (5) of the Finance Act 1975. In the circumstances outlined in your letter, the liability would fall primarily upon the trustees, but the tax could also be recovered from the beneficiaries.

Much depends on factors not mentioned in your letter, but the simplest solution may well be for the beneficiaries to effect a term assurance policy on your life. It will probably be possible for you to make cash gifts to the beneficiaries to enable them to meet the cost of the insurance, without incurring CTT, but you do not give us much idea of the sums involved. The position may be simpler if you acquired a domicile of choice in Guernsey before December 10, 1974, thus escaping the net of Section 45 of the 1975 Act.

### Consent for telephone wire

The Post Office would not make any payment to me for a telephone wire which runs across the back of my garden and contains that my consent is not needed. Is this correct? The contention of the Post Office is not quite correct but there is machinery under which your consent (which is initially requisite) can be dispensed with. We presume that the land affected does not adjoin a street.

AS I NOTED last week, if the survey, published a fortnight ago by the Department of Prices and Consumer Protection is truly representative, each one of us at some stage of our lives will sustain injury of more than a trivial nature in our homes. In this respect wives, mothers, sisters and daughters are clearly as much if not more at risk as husbands, fathers, brothers and sons—but almost all insurers will tell you that far fewer women than men seek to buy personal accident cover.

Perhaps the recent survey will not only stimulate feminine demand but also cause insurers to rethink their traditional attitudes to the provision of accident insurance for those women who do not go out to earn their living, but who work at home for their families.

The weekly sum payable under a disablement policy is in insurance terminology a benefit, and not an indemnity: to get payment from insurers the claimant does not have to prove any financial loss but merely the fact of incapacity within the definitions provided in the particular policy. In providing weekly cover for accidental injury insurers usually promise to pay for "temporary total disablement." Usually they put a time limit on the word "temporary," so that payment is made for a maximum of 2 years, however much more prolonged the disability in fact may be.

And though policy wordings vary, total disablement is usually expressly defined, more often than not as being the policyholder's complete inability to attend to any part whatsoever of his occupation or trade; but some insurers may add the extra qualification, for example, or of any other profession, occupation or trade for which he is fitted by knowledge or training.

Of all these words the one posing the greatest practical claims handling problem is the word "total." The policyholder always has to prove his or her right to payment and it is for him or her therefore to provide insurers with evidence of the totality of disability.

But the self-employed policyholder poses a greater problem, particularly if he or she works partly or wholly at or from home: here the doctor's certificate is clearly much less cogent evidence—insurers' concern is, of course, that some such policyholders may be able to attend to a substantial part of their work while disabled, thereby avoiding any positive loss of earnings, but nevertheless



Home can be a dangerous place. This week John Philip's attention to housewives at risk.

less continuing to draw weekly disablement benefit. The housewife is even more of a problem than the self-employed policyholder, because, as we all know, the average woman in the home will seldom remain totally out of action for long. Indeed she will probably try to undertake some part of her normal household duties long before she is really fit to do so. This being so, how are insurers to assess total disablement except by the criterion of confinement to bed?

Perhaps one answer to this housewife's personal accident insurance problem is for insurers as a matter of course to provide "temporary partial disablement" cover by way of continuation of total disablement cover. Partial disablement cover is sold sometimes in PA packages but more often as an optional extra.

When this cover is provided, it is usually subject to the definition that partial disablement connotes the policyholder's inability to attend to a substantial part of his or her profession, trade or occupation. But this definition is not really satisfactory and leaves open to argument in the particular case what is substantial; so that in the event of disagreement as to detailed medical evidence may be required to be provided.

Usually partial disablement cover is provided at the rate of 40 per cent of the total disablement benefit so that, for example, the policyholder with £50-a-week total disablement insurance gets £20 a week when disability is only partial.

Many insurers hold out sound underwriting to sell partial disablement for anything more than nominal sum either to the employed or to the housewife, but the fact and the partial disability is so gauged—what they really provide what they say open ended, always to the policy they could perhaps be half the collection of higher premium.

These practical difficulties of the fact of a disablement with standard policy definition, need for a fundaments to the provision of this cover for housewives, this is from accident news. Undoubtedly this in our lives—wives, daughters and sisters tremendous unpaid clock service.

What I think we are concerned with when we buy insurance, particularly to obtain cover for injury to a greater extent we are concerned the cost of temporarily services. And so I suggest detailed medical evidence may be required to be provided. Usually partial disablement cover is provided at the rate of 40 per cent of the total disablement benefit so that, for example, the policyholder with £50-a-week total disablement insurance gets £20 a week when disability is only partial.

## Taxation

## Running just to stand still

IN MY last article I discussed the problem of fiscal drag and reproduced a table showing the necessary increase in gross income at various levels to compensate for the 25 per cent increase in prices. To-day I give two more tables which should be used in judging the Chancellor's actual performance. Table 1 shows how the starting points for higher-rate taxes would look if the turning points were changed to take account of inflation since unified tax was introduced in 1973. My revised table would not restore the actual 1973 tax position as the tax rates have been increased. This, it can be argued, was a deliberate decision of Parliament and all I have done is to strip out the element of inflationary taxation. This element can be seen from the table. It will be seen that at the £12,821 level, the tax burden is increased as a direct result of fiscal drag from £5,658 to £7,049—that is, by nearly a quarter. At the £25,975 level, the increase is £11,359 to £16,534—by almost a half! These are in addition to the increases (substantial enough) authorised by Parliament of 5 percentage points in the rates. If the Chancellor claims in his Budget to have reduced burdens we will compare his performance with the tables.

My second table concerns personal allowances. These allowances are raised most years, with the usual phoney claim that so many millions of people have been relieved from tax altogether. In fact last year's increases in personal tax allowance only went about half way towards correcting this and the child allowances were not

Table 1  
1973 Tax Table at 1975-76 rates with turning points indexed for inflation.

	(Unindexed) Tax	Indexed Tax	35% of taxable income plus 45% of next 863
0	0	0	0
£7,775	(3,151)	2,721	45%
£8,438	(3,658)	3,064	45%
£10,366	(4,712)	3,844	50%
£12,093	(5,840)	4,707	55%
£13,821	(7,049)	5,458	60%
£17,777	(9,583)	6,495	65%
£20,732	(12,233)	8,941	70%
£25,915	(16,534)	11,359	75%
£34,553	(23,704)	15,247	83%

Table 2  
Personal Allowances

	April 1974 (Actual)	April 1975 (Actual)	April 1976 (Actual)	April 1977 (Actual)
Personal Allowance	625	675	980	805
Married: Under 11	865	955	1,255	1,139
Child Allowance	240	240	248	284
11-16	275	275	400	386
Over 16	305	305	443	528
Dependant Relative	100	100	145	119

changed at all. The table shows what the Budget figures would have to be, first, if we were to restore the April 1974 position and second, if we were merely to go back to the intention of last year's Budget which was, of course, a real increase in the tax burden on the lower paid.

I have from time to time made what might appear to be rude remarks about the Civil Service and in particular about their inflation-proof pension rights. I had no intention of denigrating a fine body of men and I am sorry that my rather specific attack which was for a good reason, happened to have coincided with a general period

of civil servant-bashing. This latter phenomenon is hardly surprising when all the figures show clearly that during a period when employment in all aspects of productive enterprise has been falling, employment and relative earnings in all aspects of the public sector have been increasing.

The real reason for my attack can be found in the minutes of evidence before the Select Committee on Wealth Tax (which I hope is an issue which will not be mentioned in the Budget). Inland Revenue witnesses were examined on the difficulties of imposing wealth tax on productive business assets such as farms and private companies

when the assets were not divisible, not readily realisable and not, in fact, productive of much after-tax income. It was suggested that the imposition of a wealth tax on top of the other burdens will have adverse consequences on the private enterprise sector of the economy. It was also stressed that there were difficulties in valuation. Inland Revenue witnesses were at first reluctant to concede that there were any particular difficulties in imposing a tax in these circumstances. Mainly to concentrate their minds on the reality of their own pockets, rather than to their possibly abstract professional idea of their victims' pockets, it was suggested pension rights might be taxed.

Mr. Peter. Rees, asked whether a case for excluding pension rights was on the grounds that broadly they are not realisable, and also on general social grounds and the witnesses agreed. Mr. Rees suggested that if social grounds are to be taken into account the exemption could be extended to other forms of savings for old age (presumably including the building up of the value of one's own business). This, too, was agreed. It was said "if we are going to have this tax at all, and if a single transfer of £1,000 is made this would be deemed to apply to the year to April 5, 1976, and the right to make the transfer for the previous year would be lost. Those who did not make gifts in the year 1974-75 should make gifts totalling £2,000 (husbands and wives have separate exemptions) before April 5, 1976.

Evidence in cross examination showed that a deputy secretary in the Civil Service, earning about £14,000 per annum,

would get an inflation proof pension after 40 years of service of £7,000 per annum. Such a pension arrangement could not be made under present rules, for instance, a self-employed professional man. It would also establish that the capital value of such a pension right was materially in excess of the £100,000 proposed limited for wealth tax. The whole discussion makes interesting reading. The point I was trying to establish in my articles written at that time, was that if there were to be a wealth tax at all, horizontal equity demanded that the State servant should be as much within its charge as the private entrepreneur. There are also practical advantages in ensuring that our taxmasters are themselves taxed.

May I end by making a correction to my previous article. I said (correctly) that the right to the £1,000-per-annum exemption under Capital Transfer Tax could be carried forward for one year. It followed that April 5, 1976, was the last occasion for making the gift for the year 1974-75. Where I was misleading was in suggesting that the 1974-75 gift could be made without also making the gift for the year 1975-76. The current year's gift is presumed to be made first and if a single transfer of £1,000 is made this would be deemed to apply to the year to April 5, 1976, and the right to make the transfer for the previous year would be lost. Those who did not make gifts in the year 1974-75 should make gifts totalling £2,000 (husbands and wives have separate exemptions) before April 5, 1976.

JOHN GHOVN

## Cinema

## Putting the BFI drama in focus

LAST YEAR was not a happy one for the British Film Institute. There was a two-week strike among the staff, the accounts were qualified by accountants Sloy and Hayward, and senior staff changes took place in five of the Institute's eight departments. But amid these problems, and admitted troubles with a Herculean task of looking after Britain's film archives, the BFI has not only escaped the recent spending axe in the public sector but its budget is being increased.

Last year's grant of £1.5m, almost equalled those of the National Theatre and Royal Shakespeare Company. In 1975-1976, the grant is to rise to just under £2m, and the BFI has asked for £2.5m in 1976-77.

Events at the BFI have been raising eyebrows, not only in the film world but also in Whitehall for some time. Under particular scrutiny is the emphasis the BFI gives to history, rather than to the stimulation of present activity. A sign of official nervousness came last year when the Government withheld £137,000 of the BFI grant.

The Institute was founded in 1933, with the prime objective

of "encouraging the development of the art of film." It runs the National Film Theatre in London, the National Film Archives, a Regional Department and a Film Production Board. There are also sizeable ancillary activities, including bookkeeping, distribution and editorial work.

It was the Archive department's difficulties which caught the eye in the last annual report. Coping with the vast quantities of highly perishable and inflammable nitrate film stock acquired by the Archive is a major problem. All 35 mm films made before 1950 were shot on this material, and the Archive has to transfer as much as possible on to modern safety film to make them suitable for long term storage. Last year, out of approximately 120,000 reels on stock, only 925 were duplicated.

At the current increased rate of operation, it could take at least 25 years to complete the job. Cataloguing is not helped by the fact that cataloguers work in Berkhampstead, while the basic information is stored in London.

This archiving work is a heavy drain on BFI resources. In 1974, it was absorbing

£139,000 a year, but at the last count this had become £240,276. Now the director of the Institute, Mr. Keith Lucas, reckons the main reason for his need for extra cash is the archives.

Cinema enthusiasts have also been perturbed by the BFI's declining activity outside London. Last year spending in the regions by the BFI fell by nearly a fifth, according to the annual report, and the actual figure might have been even lower. For example, of the £100,000 spent on the Housing Cinema Fund by the BFI, which comes under the Regional Department costs in the accounts, some £62,000 went on re-seating at the London National Film Theatre.

Mr. Lucas and his colleagues are themselves unhappy about the BFI's past performance outside the capital. They acknowledge the need to change the emphasis away from the easy money policies of the sixties, when cash was ladled out fairly indiscriminately. The net effect is that many of the major cities are poorly served, while BFI-supported theatres operate in such out of the way places as St. Austell, Kings Lynn, and Street.

Interest in the cinema in the provinces may be reviving but there are difficulties attached to serving this enthusiasm. Mr. Lucas talks of the need to generate awareness of the cinema "through unconventional outlets, sometimes through unconventional means. But," he adds, "local enthusiasm can be dreadfully wasteful."

Now film officers, responsible for co-ordinating and developing film activity are gradually being appointed throughout the country. They form an integral part of the new structure designed to provide nationally the services which hitherto have only been available in London.

Splitting the BFI up, and having off the National Film Archive might be one solution to the Institute's problems. The official view is that the "archive work is central to the work of the Institute" but to an outsider there is a certain logic in slotting the Archive in, say, with the British Library, especially since the Film Archive is now campaigning again for statutory deposit rights.

Like the BFI, the British

Library is funded by the Department of Education and Science. Its total grant last year of £12m, suggests it could command or lobby for the resources necessary to cope with the archive's problems. Storage might be less of a problem too since the BL has been promised a new site in London which should cater for its requirements until well into the 21st century. Significantly the BL has been investigating the non-book materials which lie outside its current range of papers, stamps, music and manuscripts. In addition, it would be nice to settle this problem before the horse trading begins over the balance of power in the British Film Authority. The Prime Minister's Working Party Report on the Future of the British Film Industry, published early this year, called for the creation of the BFA, which would incorporate the DoT's commercial role (licensing, registration etc.) and the DES's cultural and artistic functions (National Film School and British Film Institute).

So radical change of some sort may be on the way.

JOHN BECKLEY

## ENTERTAINMENT GUIDE

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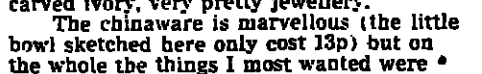












### Satin shawl

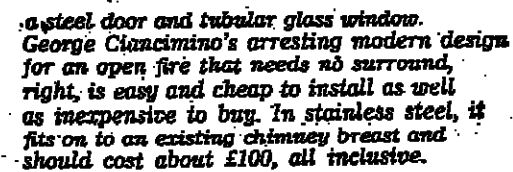
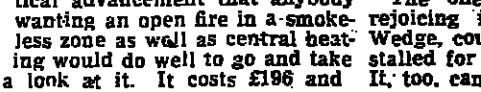


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Frances Buruch charges £250 for each head, and that includes the finished cast mounted on a wooden base (a marble base is a little more expensive).

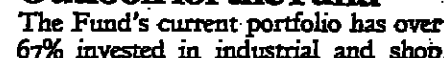
Anybody who is interested in her work will be able to see a selection at an exhibition of work by members of the Hampstead Artists' Council at the Camden Arts Centre, Arkwright Road, London N.W.3, starting on May 9. In the meantime she will be exhibiting at the Clifton Hotel, London, N.W.8. (01-624 3511.)

Among the most interesting of the new fireplaces is the first-ever open fire that can burn coal and still be used in a smokeless zone. We've had closed fires, the famous Smoke Eaters of the advertising campaign, which dealt with the smoke so effi-



Above all, anybody needing advice should remember that any SFAS has a large number of booklets on all these subjects and will in any event give specific advice if asked.

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الشرق الأوسط

# Barclays 1975

## "1975 has been a difficult year for banking throughout the world..."

*The Annual General Meeting of Barclays Bank Limited will be held in London on April 13, 1976. The following extracts from the address to the Stockholders by the Chairman, Mr. Anthony Tuke, for the year 1975:*

1975 has been a difficult year for banking throughout the world and our rather disappointing results affirm that we are no exception. The fall of £7 million (4 per cent) in the Group's operating profit reflects impact of sharply rising costs. Some 70 per cent of our expenses are represented by our salary bill which has risen by more than 50 per cent since 1972, which is the base date for many of our charges. The operation of the Price Code, which had had the result of holding down our commission and fee income in this period of inflation, has made us over-dependent on interest income and vulnerable to changes in rate levels. We have checked the unhealthy position where depositors and borrowers, including industrial borrowers, are in effect being subsidised by the users of money transmission and other commission earning services. For instance, our Merchant Company, which provides a specialised service in competition with other bodies, is no longer running at profit and it seems illogical that its charges must be kept to their 1972 level simply because profits are still being earned in other parts of the Group. We hope that we shall be able to correct this distortion in 1976 with the help of the Price Commission.

The second main reason for the fall in our profit has been the increase in provisions for doubtful debts throughout the world. This is an inevitable result of the most severe recession this and other countries have experienced since the war. The problem is not likely to disappear overnight; indeed in the palmy days of what critics described as the 'obscene' banking profits of 1972 and 1973 many of us foresaw the inevitability of a gloomier day, and there is no doubt that the retentions of those two years have stood us in good stead. At that time I referred to the need of banks to have plenty of wool on their backs to deal with future cold weather and one of our leading financial journalists produced a neat riposte by saying 'nevertheless sheep need shearing'. I think that 1975 has amply proved how useful that wool has been.

### Property and fringe banks

Although the increase in our provisions is spread throughout the world most of our problems have been in this country and the main cause has been the fall in property values and the associated question of the age of banks. Since property and buildings provide the underlying security for many bank lendings, above all to industry and for construction, the weakness of the property market has a considerable effect when we calculate the amount of provision required to cover any shortfall in our security. Our direct lending in this country to the property sector has remained more or less constant at about 8 per cent of total advances. This reflects the ability of the great majority of our customers to meet accruing interest.

Last year I mentioned that Barclays' total commitment in the recycling operation to support the so-called fringe banks amounted to some £300 million. The figure has since decreased slightly but the problem still gives cause for concern. The level of interest rates and the state of uncertainty in the property market continue to create difficulties for those receiving support. We have made provisions on a prudent basis for all lendings to lifeboats, including those to the First National Finance Corporation. Whereas in 1974 the net interest earned was sufficient to match the provisions made under the support exercise, this has not been true in 1975. A real move forward in the property market, however, would transform the position.

### Capital adequacy

The increase in the risks borne by banks in the last few years underlines the need for maintaining a factory capital base. Since last year, discussions have been held between the clearing banks and the Bank of England, and it is intended that we shall review our capital position with the Bank annually. It is likely that there will be a different approach in that we shall be considering the risks attached to individual classes of assets rather than the traditional ratios of total deposit liabilities to capital. We welcome this step forward—not least an important statement that retained profits will need to make a substantial contribution to the maintenance of an appropriate capital base, particularly in an inflationary situation.

Retained profits are naturally affected by the level of taxation and inflation accounting. In common with many other institutions we welcome the adoption by the Government of the principal recommendations of the Sandilands Committee. We have however made clear our concern that their implementation must take account of the special position of the financial institutions. Unlike industry, the greater part of our assets are in stock or in bricks and mortar but in lendings or investments—in short, in money. Yet clearly inflation has a dramatic effect on our balance sheet totals, and we require just as much as any other company, to see our profits and our retentions increasing at a faster rate than inflation. But we are obliged to pay tax on what are only paper profits, and our retentions have been falling even in money terms, implying a sharp reduction in real terms. We must ensure that the effects of inflation are reflected in the accounting and taxation of banks, as of industry; the banking system is not to be handicapped in its task of financing industry itself.

### UK Division

Our level of lending showed a decrease in 1975. This was mainly because companies' fixed capital requirements have fallen in real terms and there has been heavy destocking. Industry's liquidity has equally benefited from the easing of company taxation in respect of stock valuation. Borrowing by the personal sector too has been at a relatively low level as uncertainty and the fall in the real value of their liquid assets caused by inflation led people to become more cautious and increase their savings to an unexpected degree. Similar developments can be seen in other countries.

Our total lending limits to industry in this country amount to £3,200 million of which only 53 per cent have been taken up at the present time. Contrary to the views of some critics of the banking system we are anxious to expand our lending to industry which, despite the fact that the cost of overdrafts has fallen and remains low, that of long term finance, is held back by the lack of demand. We are particularly keen to play our part in making funds available for periods of up to ten years in respect of productive capital investment in fixed assets as well as for working capital.

Since my statement last year, our medium term loans in the UK Division—the greater part of which are to the manufacturing industry—have increased by 75 per cent. If we take into account loans made by other members of the Group in the UK and under the ECGD scheme, which has a considerable impact on industry, total investment is not far off £1,000 million. There has been much talk of the failure of the City and, in particular, the banks to meet industry's needs. We may have been at fault in not giving enough publicity to the contribution to investment that we make, but I believe that we are beginning to get our message across.

Unlike most of our competitors we had until this year no subsidiary specialising in instalment credit for the personal and industrial market, although we owned 17.6 per cent of the ordinary shares of Mercantile Credit Company Limited. In July, therefore, we made a successful offer for the remainder of the equity of that company and we are glad to welcome it into our Group. We are anxious to preserve its independent and thrusting spirit and to develop the range of direct and indirect lending services which it offers. More rapid growth in personal lending must however wait for an improvement in the economy and the removal of Government restrictions.

These factors have also inhibited the continued expansion of Barclaycard which is now reaching its 10th anniversary. In 1966 when it got under way, it was the first large credit card operation to be undertaken by a British bank, and growth since then has been impressive. We now have nearly 3,000,000 cardholders and over 10 merchants in the scheme. It is no secret that we have not earned from Barclaycard the profits we would have liked; the rapid rise in expenses during recent years, together with the high cost of funds required to finance,

the Barclaycard operation has militated against profitability, as have the successive controls imposed upon us. As a consequence we found it necessary to raise the monthly interest charge from 1½ per cent to 2 per cent in November, which with other measures should help to bring us an acceptable return from this source in future years.

### Barclays Bank International

During this difficult year at home the value to the Group of having an overseas arm has been amply demonstrated by the results of Barclays International. The latter now accounts for half of the Group's deposits and its operating profit increased last year by nearly 23 per cent from £58.6 million to £72 million. Movements in exchange rates naturally play a large part in determining the results, expressed in sterling, of a bank operating overseas in a wide variety of territories and currencies, and Barclays International is no exception. However, thanks to the spread of our activities, the combined effect of these ups and downs last year largely cancelled each other out, and the results can be said to represent genuine growth throughout the Group.

### Financial Services Division

Barclays Merchant Bank Limited—as the former Barclays Bank (London and International) Limited has been rechristened—has been able to increase its medium term lending and rights issues business. Barclays Export and Finance Company Limited is now one of the leading United Kingdom companies in its field. Both have made an increased contribution to Group profits.

Barclays Bank Trust Company Limited has seen a continuing increase in business but income has not kept pace with expenses. In Barclays Unicorn there was a significant increase in the sale of units, and funds under management by the Unicorn Group now exceed £300 million. The tenth anniversary of Barclays Life saw a record level of £90 million for new sums assured.

Barclays Insurance Services Company Limited has increased the volume of business and plans to establish a group presence at Lloyd's.

### General outlook

To turn now to the future, 1976 should, given reasonable luck in the political field all over the world, at least be a less difficult year for us. The need for provisions will not disappear but a slowing down of inflation should help us to contain the growth in our costs and bank lending should start to show a modest growth. But there will still be problems even when the upturn led by the United States spreads to the world as a whole. For the world economic crisis has left a legacy of problems. In all countries it will be some years before the fear of inflation is eradicated. In the meantime Governments will probably keep a fairly tight rein on re-expansion even though unemployment remains relatively high. Consumers are thus likely to remain cautious and the persistence of unused capacity and the need to rebuild company liquidity are bound to restrain business investment in most countries. As a result the world economic upturn is likely to be a relatively weak one.

The second main problem remains the increase in the price of oil, which has cut living standards and widened the balance of payments deficits of oil importing countries. What has happened is that part of the revenue which we were able to raise from our taxes on oil and thus resources which we used to have to finance consumption and to build schools or roads and expand social services and pensions are now in the hands of the oil exporting countries. This will gradually be rectified by the latter's increasing demands for industrial goods and services. In the meantime, the more developed countries will need their own banking systems, particularly in the United States and Britain, and the Eurocurrency markets with which they are linked, as a vehicle for borrowing back some of those resources.

The difficulties of the less developed countries are more intractable. The enlargement of their balance of payments deficits since 1973 has been further aggravated by the fall in the prices of their commodity exports which, since 1974, has brought some relief to the industrial world. Perhaps their deficit will be somewhat smaller in 1976 as their commodity exports revive, but the financing of these deficits has already placed a heavy burden on the international banking system. International co-operation will be needed, involving OPEC as well as the major industrial countries, if dangerous strains on the world financial system are to be avoided.

In Britain the low point of recession has come later than in most other industrial countries because of our slowness to reduce living standards and of our tardiness in implementing policies of restraint. The result is that our inflation and our balance of payments deficit have been more severe than those of other industrial countries, and we have postponed the hardship of adjustment only at the cost of having to prolong it. So far this burden has fallen almost entirely on the private sector, to the grave detriment of our long term prosperity. Without a shift in resources from the State to the private sector and from expenditure on social consumption to productive manufacturing investment, we shall not only be handicapped in the battle against inflation, but shall fail in the objective of restoring the capacity for growth and improvement in the living standards which we have so conspicuously lost.

In financial terms this problem has recently been described as one of the 'crowding out' of private industrial borrowing by the demands made on the capital market by the public sector's large deficit. A reduction in both Government expenditure and taxation is needed to avoid this risk and to bring about a lasting fall in interest rates and the restoration of a climate of confidence for businessmen and investors.

### Staff

On the salaries front we were able to take advantage of the short-lived freedom from Government pay restrictions and the cost of living increases for bank staff in this country were settled in June and July before the restrictions were re-imposed in August. A worrying problem is how differentials for responsibility are to be maintained in the future, having in mind the effect of pay restrictions on our salary structures.

Last year I covered in some detail the effect of inflation on our Pension Funds and our decision to increase our rate of contribution to 43 per cent of our salary bill. While it is, perhaps, too much to say that there has been a radical change for the better over the year, we considered that there had been enough improvement in the long term outlook to justify the use of a slightly less pessimistic range of assumptions on the rates generally and also of inflation. We are therefore using a contribution rate of 36½ per cent for 1975. If we had maintained our 43 per cent rate we should have transferred another £9 million to our principal Pension Fund.

My colleagues and I have during the last twelve months had the opportunity of visiting a considerable number of our Local Head Offices, Branches and subsidiary Companies both in this country and abroad and we are therefore fully aware of the outstanding contribution made by our staff to the progress and profit of the Bank. Our stockholders will, I know, wish me to emphasise this and record their appreciation.

*Anthony Tuke*

Anthony Tuke, Chairman of Barclays Bank Limited.

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The candelabrum illustrated here is formed as a group of Mercury bringing down the infant Bacchus to the nymphs of Nysa, and is after a design by John Flaxman, R.A., of which several varying sketches still exist, and are now in the Victoria and Albert Museum. The details are confirmed by the original bill for a pair of candelabra in the Royal Collection at Windsor. One of these is of similar design, and Rundell, Bridge & Rundell's account describes them as '2 rich candelabras to fit occasionally on tripod stands, composed from designs made by Flaxman on the subject of Mercury presenting Bacchus to the Nymphs. The other, the serpents guarding the tree of the Hesperides, with elegant falling branches and ornamental devices. 917 ozs. 10 dwts. fashion 17s. per oz. gilding £132 each. £1,365.'

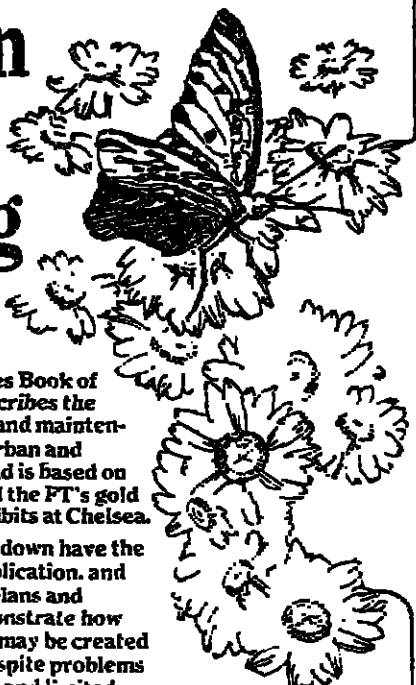


Twelve-light candelabrum, by Paul Storr, 1816, the branches by Philip Rundell, 1819, 40 1/2 in. high. To be sold on Wednesday, March 31st, in a sale of Important English and Foreign Silver.

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## The Arts

### West Side story

BY CLEMENT CRISP

I have just seen American dancing, wherein everything seems guided by the perception of an image lying behind the step itself. Not overtly dramatic, it is a quality born of the power complex, a building to delight the theatregoer. Ample and more than ample space inside the auditorium and the promise of an interior giving a honey-coloured effect with its blond wood and stone and dizzying expanses of looking-glass, and glass walls that offer magnificent views of the city: all light-filled and welcoming.

Ballet Theatre was providing stellar casts for its repertoire. Miss Makarova has staged La Bayadère for ABT, and her version is true to the Kirov presentation, superior in the matter of accent and in the more detailed and idiomatic closing passages for the corps de ballet. And I have not even with the Kirov, seen a more persuasive Nikitya than Miss Makarova. She brings to the role not just a luminous classical style, but that understanding of Nikitya's character in the Kingdom of Shades as the product of three previous acts in Petipa's ballet. Here is classical dancing of a style too rarely seen and too little understood in the West: aristocratic yet elegant, exquisitely light physically, and tender in dramatic nuance—like the Syphide or the Willi Giselle in a short tutu. Poised behind Solor she sketches a gesture of otherworldly compassion; as she turns and leaps the spectral nature of the role is magnificently clear.

This is no virtuoso display but a masterpiece of choreography warmed and made alive by understanding and love. The Kirov inheritance lives on because of artistry of this calibre, and the classic academic dance of the nineteenth century, of which Bayadère is a jewel, still seems relevant and potent. As for most compelling, so, too, was Tudor's Pillar of Fire, long-time treasure in the company's repertoire, with Sallie Wilson's Hagar flawlessly right both in suffering and in sensitivity of means.

There was much else to praise in the week of performances I saw: a burning *Los Hermanos* with Marcia Haydean in her created role, Bruhn as the man and Lucia Chase as the mother; Eliot Feld's *At Midnight* done with a wholehearted passion that surrounded its expressionistic manner; fine interpretations by Bonnie Mathis, Marianna Tcherkassky, Clark Tippet and Gayle Young. But it was Natalia Makarova and Mikhail Baryshnikov who provided the chief artistic excitement. By temperament, schooling and manner these two Kirov stars seem representatives of another, nobler breed of dancer. In their each dancing there is an awareness, enchantment—it is as if she a kind of spiritual intensity that didn't know how not to dance, gives movement an added dimension. Superficially one can attribute this to Leningrad training with its muscular tone—never needs or meant. Makarova leaping, Baryshnikov performing a simple ballote, are artists rather than technicians. This is the key to the deeper meaning of their



Mikhail Baryshnikov in 'Push comes to Shove'

and drifting arms. It lacks something in variety of accent, but nothing in subdued moonlit grace. With its quick, easy flexing of limbs, feathery triple *ronds de jambe*, and dreaming, free jumps.

Baryshnikov's Albrecht is both innovative and convincing. Although at the performance I saw it looked less than complete—at moments my reaction was not "how true" but "how lover"—he can plainly claim the role. A recent has two outstanding qualities: a deep, obsessive love for Giselle, and a nobility of temperament that is seen both in his manners and his dancing—the role is thus remarkably unified. One senses, too, that Albrecht is aware of an imminent crisis: he is haunted by a fear of discovery which his passion for Giselle can only temporarily dull (but with what sweetness he presses his head in Giselle's breast at the end of the first dance segment in Act 1).

Yet a certain intermittence of concentration was noticeable in Act 1: at the beginning of the mad-scene Baryshnikov's posture tense with suffering, was superb; his expression of relief when he believes Giselle is restored to sanity, and his later attempt to strike Hilariion with the sword, though, looked "stagey" and contrived. In Act 2, his dancing was beautiful, both in its control, and its ease of effect. His innovations include a diagonal of brises in which he beseeches Myrtha for forgiveness—a superb image rather over-stressed in execution—and a magnificent closing sequence in which he strews the stage with flowers as he quits Giselle's grave, a poetic idea most poetically done.

My last view of Baryshnikov and ART was unofficial, probably unreviewable, but marvellous—a rehearsal of Twyla Tharp's *Push comes to Shove*. In her Christmas letter from New York on this page, Mary Clarke wrote of this latest thrilling acquisition by Ballet Theatre, and I could not resist the chance to see it even partially. Rehearsal studios may not be ideal spots for judging a ballet, but *Push*, even on these terms, is a delight. For Baryshnikov, a solo of diabolical and glorious difficulty, all bends and leaps and twists and odd accents for which the company—led by Martine van Hamel, Marina Tcherkassky and Clark Tippet—fast, funny and utterly classical dances, that reveal Twyla Tharp again as a master choreographer. Miss Tharp, delighting in tinkering order out of chaos, skilled in the dizzying procedures of being wittier, faster on the draw, and quicker in the action than any other creator I know, has produced a tremendous piece of dancing. We must see it in London.

## A definite hit at La Scala

BY WILLIAM WEAVER

The audience of La Scala is justifiably excited. Much of the excitement is, however, not for the opera itself, but for the party itself. The party is the gala concert given by the orchestra, often ill-timed and destructive, and the subscribers in the stalls could win medals for the speed with which they track their overcoats at the end of a performance. But it was, most of all, warmth that characterised the reception of the Royal Opera Company during its recent 12-day visit to Milan's great theatre.

On Thursday night, when I entered the house for the last of the four performances of *Peter Grimes*, I felt a kind of glow. Early-comers were collected in the foyer, exchanging opinions of the troupe from Britain and its successes. Many were coming back to Grimes for the second time, and I recognised familiar faces of out-of-town opera-lovers. From Parma, Rome, Naples, When David Atherton came out to begin the performance, there was hearty welcoming applause for him (Colin Davis had conducted Grimes until then) and for the orchestra, which had clearly been already taken to the *Milanesi* hearts.

The Royal Opera, it must be said, came to La Scala with an adventurous repertoire. Peter Grimes had been given there only once before, in 1947, in Italian translation; and the reception was mixed. *La clemenza di Tito* had not been heard in the theatre since 1818; a revival at the Piccola Scala, a decade ago, had been virtually a fiasco (the local critics, for the most part, took Mozart sternly to task, and reproached the Scala direction for digging up an "inferior" work). *Benvenuto Cellini* had never been staged in Milan.

So the risks were many and great. Opening with *Cellini*, the company immediately showed its mettle. The reviews were largely approving. All Mary reported happily the festive triumph of the evening. Admittedly, Berlioz's youthful enthusiasm is uneven, but as the anonymous voice gallery summed it all up: "Arrivederci, pres."

### Theatres this week

ROYAL COURT—Parcel Post. Very likeable comedy about life among Nigerian Londoners, excellently played. Opened Tuesday.

APOLLO—Housewife—Superstar! Barry Humphries in a characteristic style. Opened Tuesday.

UNIVERSITY—Newcastle—Sons of Light. Big, didactic, quasi-mythical drama by David Rudkin, not easy to grasp in one go. Reviewed Wednesday.

PHOENIX—13 Rue de l'Amour. Rather lightless production about life among Nigerian Londoners, with Louis Jourdan, G. and James Groot. Opened Wednesday.

THEATRE ROYAL, 8—Out of Practice. Feydeau, Taffeur pot rather break the heart. Also opened Wednesday.

PRINCE OF WALES. Big, colourful, about New Orleans life, rather short. Opened Thursday.

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DRIAN GALLERIES, 5-7, Rochester Place, Marble Arch, W1. 01-229 8196. Tues-Sat. 10.30-5.30. Sun. 11-5.30.

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ROLAND, BROWNE & DELANCEY, 19, Cork St., W1. 01-734 7384. Keith Grant. (Kendall). March 20. Thurs. 10.30-5.30. Fri. 10.30-5.30. Sun. 11-5.30.

LEFEVRE GALLERY, Contemporary Paintings and Sculpture. 20, Bruton Street, London W1. 01-253 1132. Bruton Street. 10.30-5.30.

LEONIE JONLEIGH STUDIO, Holmeholm, Weymouth, Dorset. Tel. 01-317 3177. 20th Century. March 20. Thurs. 10.30-5.30. Fri. 10.30-5.30. Sun. 11-5.30.

LEONIE JONLEIGH STUDIO, Holmeholm, Weymouth, Dorset. Tel. 01-317 3177. 20th Century. March 20. Thurs. 10.30-5.30. Fri. 10.30-5.30. Sun. 11-5.30.

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## Collecting Going Dutch

by Cornelis Dusart

IT IS SAID that when Sotheby's bought the Amsterdam auction house of S. J. Mak van Waay a couple of years ago, one factor in the decision was the knowledge that the great collection of Dutch art formed by Mr. B. de Geus van den Heuvel was destined to be sold there. Mr. van den Heuvel in fact died in January, aged 90, and the collection which occupied more than forty years of his life comes under the hammer in April, in the Lutheran Round Church on the Singel, Amsterdam.

Before that however there will be a chance to see the whole collection in London; on Monday it goes on show for one week in Sotheby's Bond Street rooms.

Nearly half a century has passed since a collection of this calibre came onto the market; and it is certain that no private owner could ever again form another to parallel it.

As the collection now stands, the earliest acquisition appears to be a seascape by the contemporary artist Hobbema, which Mr. Van den Heuvel inherited from his father in 1929; but his first purchases seem to have been made in December 1931, when he bought three paintings in a sale in The Hague—a pair of roistering tavern scenes by Vincent Mabo the First and a showy painting of a galloon by Abraham de Verwer. His collecting continued as late as May 1961 when he was 75; his last purchase seems to have been a watercolour of a winter scene by Willem Arnoldus Witsen, another modern artist.

A year earlier he had added one of the three etchings which represent Rembrandt in the collection. After a peak buying year in 1932, when his collecting fever was clearly at its height, he seems to have brought steadily at an average of some nine or 10 pictures a year.

The attraction of the collection is that it was so clearly created on criteria of personal taste. He was not dazzled by names; often it is work by artists generally reckoned as minor that starbles by its quality—for instance the two lovely little rustic scenes

illustrates every aspect of the 17th century painter's bustling towns and confident merchant serene landscapes; skaters and sledges frozen rivers; cool b. tribute to his judgment that out. teriors and roistering still life to show off Sotheby's question the attribution of only four.

One of Mr. van den Heuvel's most memorable shopping sprees was at the sale at century and Christie's in July, 1937 of the artists. There are Earl of Lonsdale's collection gardists—certainly no from Lowther Castle. It was then that he bought his two a painting by Alma splendid Adriaen van Ostade seems out of place. Mi tavern scenes—paying 750 Heuvel deliberately guineas for the exterior and 740 guineas for the interior. A smaller Ostade panel of a couple of drinking women cost 260 1870s and 1890s—T Johannes Bosboom and Stroebel—who quite ately worked in pe. artists who had died tures before.

He was far from tulous, however. T century is always su be the doldrum p. Dutch painting. Rig end of his collectio however, van den He pleted the impressive a dozen 18th centu scapes which, seen like this, begin to a significant and attractive school of p the urban scene among them Jan de B elder and younger J. Isak Ouwater, Johan and Paulus La Farge.

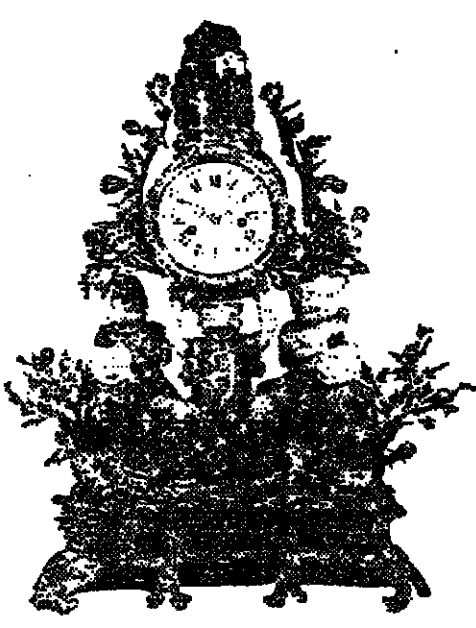
Some of the special are breathtaking: Em Witte's magically ill "Interior of the Ou in Delft" (1669), Albe glowing "Four cows escarpment" or Pi Hooch's cooily. "Interior of a Dutch for instance. Sotheby Waay's sale and nea London view is a uni to view three cent Dutch painting throug of one individualist cated collector.

JANET



Detail of The Interior of a Dutch House by Pieter de Hooch

## Sotheby's Records



Fine French clocks are included in sales of French furniture and works of art as their principal interest lies in the case making.

All other clocks, as well as watches and scientific instruments, are sold in Sotheby's regular horological sales. Lots fetch from about £20 up to world record prices—a bracket clock by George Graham sold in 1974 for £36,000.

The annual subscription to all catalogues and price lists of sales at Bond Street is £11.50 (U.K. only).

For advice on buying and selling at auction write to John Vaughan (Clocks) or Tina Millar (Watches and Scientific Instruments).

A Louis XV mantel clock in Chinese porcelain, red lacquer and ormolu, signed *Balthusard & Paris*, 2 ft. high by 1 ft. 8 1/2 in. wide by 11 in. deep, sold on 13th December, 1974, for £38,000, a world record auction price.

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Sotheby's

### Saleroom

THERE WAS some lively bidding in a £48,845 sale of photographic images and related materials at Sotheby's, Belgrave yesterday, much of it American-inspired. Thackeray and Robertson, the U.S. dealers, paid a drawing of 1892.

A Sotheby's sale of furniture, works of art, tapestries and carpets in London, totalled £18,847, including eight lat. Geo mahogany dining chair. At Christie's, English and Contin. pictures of the 18th and 19th centuries totalled £28,330.

MICHAEL THOMSON



## HOME NEWS

## Steel usage figures confirm recovery

BY ADRIAN HAMILTON

THE WERE signs of a sharp recovery in the steel industry, coupled with a continuing draw-down of stocks, according to the detailed figures from the Department of Industry.

The figures give further confirmation to the recent impression in the industry that the steel market has now turned around. The figures suggest a patchy recovery on the all-important side, implying that for industries stocks remain unusually high and level, the rise in consumption is fed by further stockpiles for some months. It is reflected in an increased call on actual production.

According to the latest figures for the period October-December 1975, the consumption of finished steel, at 3,77m. tonnes, rose by 1.6 per cent. on the previous quarter, although still well below the 4,32m. tonnes figure for the same period in 1974.

Substantial rises in consumption were recorded by shipbuilding at 160,000 tonnes, motor cars at 440,000 tonnes, while both coal mining and railways showed rises on the year.

Against this, the construction industry, at 1,14m. tonnes in the final quarter, and engineering, both electrical at 130,000 tonnes and mechanical at 800,000 tonnes, all showed decreases when compared with the previous quarter and the same period a year before.

Overall, consumer stock levels

continued the sharp fall that has been the dominating factor for the past year and were down 9 per cent. at the end of last year when compared to December 1974.

Almost all industries saw substantial declines in stocks. The real question facing the industry is how much further these stocks will still be drawn on before consumers stabilise the levels and start increasing new purchases from the steel producers.

The figures for the last quarter of last year tend to bear out the more recent indications that sales are reviving in particular areas such as motors and consumer durables, but that the investment industries which show little sign of any real revival in steel demand until much later in the year or early next year.

## Price Code changes sought by banks

BY MICHAEL BLANDEN

THE big banks have approached the Government for changes in the Price Code to allow them to introduce more extensive rises in their charges.

This was stated yesterday by Mr. Deryk Weyer, senior general manager of Barclays Bank. The move follows an argument with the Price Commission over the interpretation of the code, in which the banks have unsuccessfully urged that the benefit they receive from interest-free accounts should be treated separately from their earnings from fees and commissions for specific services.

The banks hope that their representations will affect revisions of the Code now under way. Meanwhile, Barclays is applying to the Commission to increase some of its charges, following similar applications by other banks, such as Lloyds, which have been allowed to raise some fees.

The moves could affect personal as well as corporate customers of the bank.

Mr. Weyer was developing the arguments presented today by Mr. Anthony Tuke, the bank's chairman, in his annual statement.

Mr. Tuke points to the heavy inflation of wages and other costs since 1972 and the effect of price restraint in making the banks over-dependent on interest income.

The bank has reached the

"unhealthy position" he said, where depositors and borrowers are subsidising users of the banks' money transmission and other fee-earning services.

He hopes that the bank will be able to correct this "distortion" in 1976 with the help of the Price Commission.

This problem is also affecting the bank's decision on interest rate levels. Mr. Weyer indicated, by limiting the scope for cuts in lending rates. He commented that Barclays was still losing money to other outlets, including the building societies, following his statement some weeks ago that the bank was losing £5m. a week.

## Danger

This was of marginal importance at a time when loans were still falling. But Mr. Tuke draws attention in his statement to the dangers that renewed industrial demand for finance may be "crowded out" by the Government's borrowing needs.

"Without a shift in resources from the State to the private sector and from expenditure on social consumption to productive manufacturing investment," he says, "we shall not only be handicapped in the battle against inflation but shall fall in the objective for restoring the capacity for growth and improvement in the living standards which we have so conspicuously lost."

## Unions 'should appoint auditors'

By Michael Lafferty, City Staff

TRADE UNIONS should have the right to appoint their own auditors separately from those appointed by the shareholders in order to check the reliability of the information which they obtain from management.

According to Mr. David Bassett, General Secretary of the General and Municipal Workers Union, Mr. Bassett, writing in *Spotlights*, the house journal of city accountants Spicer and Pegler, says that the disclosure provisions of the Employment Protection Act and the Industry Act are limited and vague.

"None of the information disclosed in this way will necessarily be subject to independent auditing, so that its reliability will anyway be open to question."

It is believed that proposals similar to those being advocated by the GMWU general secretary have been discussed by the EEC economic committee but have not yet been adopted as official TUC policy.

The Government is presently conducting a major review of company law. Explaining the GMWU position, a spokesman for Mr. Bassett's union said: "If all the disclosure provisions asked for by the TUC are to be meaningful, the unions as well as the employers will have to have access to technical expertise. For right of disclosure should be backed up with the right of independent audit."

## British poultry men to challenge EEC over milk powder

BY PETER BULLEN

THE BRITISH Poultry Federation is planning to challenge the EEC's latest skimmed milk powder regulation at the European Court of Justice.

The regulation, agreed at the annual EEC farm price review this month, is designed to reduce the Community's 1.2m. tonne mountain of surplus skimmed milk powder.

Mr. Neville Wallace, the federation's director-general, said that the regulation was against natural justice as it discriminated against one particular section of the agricultural industry and would put up the cost of producing poultry meat and eggs.

On Tuesday, representatives of poultry organisations from all over the EEC will meet in Amsterdam. The BPF, which represents Britain's major broiler and egg producers, will seek their support for its plan to challenge the regulation at the European Court.

Under the regulation, feed compounders have to pay deposits of up to £17 a tonne on various imported protein feed ingredients. They will not be able to get their money back until they produce certificates showing that they have used a certain amount of skimmed milk powder in their animal feeds.

At the moment, the EEC Commission hopes that 400,000 tonnes of the mountain will be whittled away by this method.

European feed compounders have said that they will comply with the regulation, but will do nothing more to help to make the scheme a success.

They are particularly incensed because one section of the industry is being forced to solve the problem caused by the over-production of another section.

The scheme will put up the price of feed to pig, poultry and veal producers, particularly. In the U.K., it is expected that poultry rations will cost more than £4 a ton more because of the need to incorporate milk powder.

It will add about £10m. a year, which will eventually have to be passed to consumers in higher prices for broilers and, possibly, eggs, the BPF estimated.

As well as angering the feed manufacturers and pig, veal and poultry producers, the scheme has stung the U.S. into threats of vigorous retaliatory action, because of its likely effects on U.S. soy exports, and a warning that the matter would be raised under the General Agreement on Tariffs and Trade (GATT).

Reuter reported from Brussels that the EEC Commission had confirmed that the U.S. had asked for talks over the milk powder plan.

Sources said that under GATT rules the complaining nation must first hold bilateral talks with the accused country in an effort to settle the dispute.

## N. Ireland economic inquiry to report in three months

OUR BELFAST CORRESPONDENT

GOVERNMENT inquiry into the industrial and economic ills of Northern Ireland is to be set up. It is to be completed within months.

Stanley Orme, Minister of the Northern Ireland, said yesterday that senior officials in Ulster, helped by civil servants from Britain, would examine both long and short problems including the relationship between service and manufacturing industries, training and marketing.

described the inquiry as "absolutely crucial" for future growth and stability in the province.

moves were being made use of the inevitable decline industry amid the violence political uncertainty, and

recent defence cuts which would affect 2,000 jobs.

"We need to look again at the whole economy of Northern Ireland and what Government resources should be directed."

The economy inquiry would have the widest terms of reference to find ways of attracting new industry, training programmes and investment.

An examination of the position of the Northern Ireland Electricity Service was also being made, taking into account its financial structure, the capital investment programme and the demand forecast.

An Order in Council establishing the new Northern Ireland Development Agency to replace the NI Finance Corporation would be approved by Easter.

The agency, with a £50m budget, would have wide powers,

including the freedom to set up State industries, provide financial aid to companies, and to advise and assist in marketing. The Government would continue to provide money for rescue operations.

## Violence in Ulster approved by 10%

OUR BELFAST CORRESPONDENT

ONE proposal for the solution of the Ulster crisis has got spread support across the province, an opinion poll published in the province.

discloses, however, that 70 per cent. of the adult population—100,000 people—approve of the use of violence to achieve political objectives—a sharp rise on a 1974 poll in which 2 per cent. approved.

A poll was conducted by the National Opinion Polls, after the union of the Constitutional Convention.

results were drawn from a sample of 1,007 people and published before a discussion programme. The Question of Ulster, 1976, on BBC last night.

the public's point of view is confusing, far as Ulster's politicians concerned there was some for everyone.

It showed a widespread acceptance of power-sharing in Government between parties representing both Protestants and Roman Catholics. About 70 per cent. either approved strongly or just approved.

The definition of the type of power-sharing that would be most acceptable, however, was markedly different from Protestants and Roman Catholics.

Although the poll showed that those taking part thought that an emergency coalition seemed to provide the greatest hope for compromise, there was only a very small majority in favour in a referendum.

Continued direct rule from Westminster or full integration with the rest of the U.K. was acceptable as government policy to seven out of 10 Ulster people and two-thirds believed that direct rule was the most likely course for the Government.

## Road hauliers warned against price wars

IAN HARGREAVES, INDUSTRIAL STAFF

HAULIERS were warned against offering cut services by the chairman of the Road Haulage Association.

Mr. Ken Hatcher, chairman of the association, said at the association's area dinner in Fethard.

There are much better alternatives and operators who work together will be able to find them," he said.

He said that new business could be found by probing the margins of firms still using their own

vehicles, he said. About half of all road freight is handled internally by companies.

Indications he received from company chairmen suggested that many more customers were willing to outsource their freight to road hauliers. It was up to the hauliers to work together to win this business.

Mr. Jack Whale, vice-chairman, told the association's South Wales members in Cardiff that if customers were not prepared to pay the rate, they were welcome to take their business elsewhere.

## Capital and Counties completes funding

FINANCIAL TIMES REPORTER

Capital and Counties Property completed funding of its development programme in partnership with the City of Newcastle, was opened this month. Only six of the 96 standard shop units are still to let. The final phase is due to open in September.

With the sales last year of Arundel Great Court, Abbey House and the investment in the completion of the funding of Eldon Square presented the last of Capital and Counties' U.K. development

problems. Its ongoing developments are now in Europe, the U.S. and the remaining 32 per cent. of the scheme, and be responsible for which the Crown Agents have

of the centre.

qual-pay woman wins

Felicia Perry, a 34-year-old woman, has won the Equal Pay Act order the Equal Pay Act of her 70 women work-

ers. Perry told the tribunal that before the Equal Pay Act came into force at the end of December, women at the factory did many of the jobs done by men but for two-thirds of a man's pay.

From the date of the Act, the jobs had been split into two grades and women had done only the B grade jobs, which carried a piece work rate one-third lower than the A grade jobs, done only by men. Grade A wages averaged £60 and Grade B £48.

## Read all about it.

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Points from the speech by the Chairman, Mr John Lyle, at the Annual General Meeting on Wednesday 17th March 1976.



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## 'Right to work' marchers clash with police

BY OUR LABOUR STAFF

Forty-one police and five demonstrators were injured yesterday when the penultimate day of a three-week "right to work" march organised by the Trotskyist International Socialists erupted in violence. The clash came as about 100 demonstrators, on the final leg of their march from Manchester to London, reached West Hendon police station on the northern outskirts of the capital. Witnesses said fist fights broke out when the marchers ignored police instructions not to sit down in the street. After a 20 minute fracas, three policemen were admitted to hospital with head and rib injuries—the hospital confirmed later that they were not seriously hurt—and 18 others were treated at West Hendon police station. A police spokesman said 33 demonstrators had been detained and the ambulance service reported that five had been taken to Willesden General Hospital, one on a stretcher.

To-day, the marchers are due to proceed to the Albert Hall where they plan what they describe as a mass protest rally against unemployment.

Another unemployment demonstration is planned in London next Saturday, this time a joint venture by the London Co-op Political Committee and the London district of the Confederation of Shipbuilding and Engineering unions. Neither rally has the support of the TUC.

## Adamson urges tough second round on pay restraint

A PAY policy consistent with reducing inflation to a 5 per cent. maximum was urged yesterday by Sir Campbell Adamson, director-general of the Confederation of British Industry. He told a CBI northern region meeting at Durham that the country had to accept a low figure if it was to beat inflation and build for the future. "The second year of any pay policy is always tougher to hold than the first. This time it is going to be particularly difficult because the pay limit will have to be lower than last time, and

some of the benefits of pay restraint will have to go towards investment and not just towards reducing inflation in the short term."

A second round of pay restraint was essential because Britain's inflation rate was still double that of its main competitors.

A tough pay policy was needed and he believed people had accepted this and understood the situation.

"I hope that those who are in a position to take inflationary decisions will not underestimate the resolution that exists in the country to get out of our difficulties."

Sir Campbell said later the CBI would wait until May or June before presenting its wage policy figures to the Government in order to have as much information as possible.

"I don't think the wage rise figure should be very different from the 5 per cent. inflation target."

The CBI are strongly opposed to any cut-off figure for wage increases like the current £8,500 level. The taxation system takes care of this. Anything else is a double penalty.

## Sensible marketing helps paper industry through bad year

BY IAN HARGREAVES, INDUSTRIAL STAFF

ONLY sensible marketing policies enabled the paper and board industry to restrict losses to one mill during its most difficult year since the war, according to the annual report of the British Paper and Board Industry Federation.

Comparing 1975 with the much less severe recession five years ago, when 20 mills closed, the report concludes that last year companies successfully concentrated on the grades to which they were best suited in terms of technology or market proximity.

Even so, transition to a "leaner and fitter" industry was made at the cost of a 21 per cent. drop in production, the loss of 4,000 employees and a

candidate countries was adding to the burdens of home producers, compared with those of the Six.

The federation declares that it will continue to press for a more just duty-free quota system which reflects the state of the market.

"Under the present ratchet provision plus the official policy of granting at least some increase every year, the quota system is totally unrelated to the economic facts of life," it says.

The report makes three other specific pleas: for Government action against dumping of paper from non-traditional sources; for finance for investment in the wood pulp industry to avoid future shortages and for help for the waste paper sector with an excess stocks support subsidy.

The lack of stability in waste paper has jeopardised both the local authority collection system and the ratio of secondary and virgin fibre used by the industry, with possible serious repercussions on the balance of payments.

Recycling of paper and board products should assume an increasingly important role and the supply mechanism must not be destroyed," says the report.

### More Home News on Page 22

year of most mills operating at up to 30 per cent. below profitable capacities. The larger groups, says the report, suffered most.

The end of the year brought an upturn in most sectors, but predictions of a return to satisfactory production levels remain tentative. It is expected that the wrapping and packaging sector, first to feel the impact of the recession will be first to emerge from it.

Exports fell by 38 per cent. in 1975 to 245,000 tonnes, valued at £130m., though exports to EEC markets increased to 45 per cent. of total tonnage.

Imports fell by 36 per cent. amid feeling from the U.K. industry that the duty-free quota system accorded to EFTA non-

### Fingal's Cave boat service

A 50-passenger boat launched yesterday will provide a thrice daily service between the Isle of Mull and Staffa, site of Fingal's Cave, during the summer.

The new boat, the Laird of Staffa, will operate from a ferry terminal on the west of Mull.

## Minister reassures Scots on national assembly

BY CHRIS BAUR IN EDINBURGH

AN ASSURANCE that the election of a new Prime Minister would not alter the substance or timing of the Government's proposals for a Scottish Assembly was given yesterday by Lord Crowther-Hunt, Minister of State with responsibility for devolution.

He said in Edinburgh that the only factor which could possibly prevent the Government's legislation reaching the Statute Book by its target of the summer of next year would be the intervention of an early General Election.

Because most of the minority parties at Westminster are Liberals, the Scottish Nationalists and Welsh Nationalists—were dedicated to some form of devolution, they would "regard

it as absolutely crucial" to sustain Labour in power until the legislation was passed.

"I have great faith in the determination of the Government to get this legislation through."

A change in Labour's leadership "is not going to change the devolution proposals or the timetable for introducing them."

**Endorsement**  
The Government's White Paper on devolution had the unanimous endorsement of the Cabinet and the Government was publicly committed to it.

It would remain one of the Government's top legislative priorities. Lord Crowther-Hunt's assurances coincide with the efforts apparently being made at West-

minster by some of the leadership rivals to convince Scottish Labour MPs that they will not blow cold on the devolution policy.

Mr. Tony Benn, who like Mr. Callaghan, Mr. Jenkins and Mr. Healey has nursed the most serious misgivings about the wisdom of the policy, in particular, has announced his "absolutely unstinted" commitment to the creation of a Scottish Assembly.

He has gone further by aligning himself with the Scottish Labour Parliamentary Group and the party's Scottish Regional Executive, which have both just approved a list of proposals for widening the industrial and financial autonomy of the Assembly well beyond the Government's proposals.

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Surname(s) Mr/Mrs/Miss BLOCK CAPITALS PLEASE

I/We understand units will be bought at the offer price prevailing when this application is received.

First Name(s)

I/We declare that I am/we are eighteen years of age or over and I am/we are not resident outside the Scheduled Territories and that I am/we are not acquiring these Units as the nominee of any person resident outside these territories.

Address

Signature(s)

Date F.T. 20/3

Date

Please send details of your Share Exchange Scheme (Please tick)

**Canlife unit trusts**  
Registered No. 1008252 Registered Office:  
6 Charles II Street, London SW1Y 4AD  
Offer not available to residents of Republic of Ireland.

# BARCLAYS UNICORN

## Five good reasons why you should invest now in Unicorn '500' Trust.

**1 A good income**  
Unicorn '500' is something special in unit trusts. It aims to provide an above average income by investing mainly in a wide spread of smaller companies with prospects for capital growth.

The yield on Unicorn '500' Trust is estimated at 5.89% before tax at the offer price of 55.4p x d, as at 18th March.

**2 Growth potential**  
Today smaller companies have a special added attraction. They have yet to experience fully the considerable rise in share values which larger companies have shown in the last 12 months. Previous experience in rising markets has indicated that smaller companies follow the leaders after an interval.

In other words these should be investments with prospects of growth ahead. Remember too that many small companies have significant overseas earnings which have added importance while sterling is weak. We believe therefore that this is a good time to invest in Unicorn '500' Trust.

**3 Merger potential**  
A proportion of the companies in the Unicorn '500' portfolio are the kind that are likely to benefit from

mergers. There is some indication that these situations are currently increasing in number.

**4 Impressive performance**  
Anyone who invested £100 at the start of the Trust (6th February, 1966) has seen the income double from £5.74 in the first full year to £11.55 in 1975. With net income reinvested, this holding would now have a realisable value of £240—substantially more than double the outlay.

In capital growth alone the share price has risen 84% compared with the Financial Times All-Share Index, which rose 50% over the same period.

**5 Wider spread for extra protection**  
Unicorn '500' Trust spreads your money over a large number of companies which gives extra protection. You should regard your investment as a long-term one. You should remember that the price of shares and the income from them can go down as well as up.

**How to invest**  
You can invest a lump sum of £150 or more in Unicorn '500' Trust simply by filling in the application form and posting it with your cheque.

### Capital Transfer Tax—a last chance

Now is a very opportune moment, before the current financial year 5th April, 1976 runs out, for investors to take full advantage of the £1000 gift exemption allowed for capital transfer tax purposes. A gift of Unicorn '500' Trust shares could be a good way to do it. To the extent that the relief is exhausted in one year it may be carried forward to the next following year no further. Up to £2000 is therefore available for anyone who has not used the previous year's entitlement.

### Barclays Bank Branches

Remember, you can get full information at Barclays Unicorn at your nearest branch of Barclays Bank. They will be pleased to help you and to handle the details of purchase for you without charge—and you do not have to have an account there.

Alternatively, your stockbroker, solicitor or accountant will give you advice about this or other Barclays Unicorn investments.

**Income** is distributed net of basic rate tax. The first distribution for shareholders investing now will be paid on 15th October and thereafter at half-yearly intervals. Alternatively it can be re-invested. With your notification you will receive a tax voucher which will enable you to claim a refund from the Inland Revenue if your circumstances permit.

**Charges** The buying (offer) price of your trust shares includes an initial management charge of 5% after that a half-yearly charge of 3/16% (plus VAT) will be made on the value of the Trust Fund. This will be deducted from the net of the Fund.

Commission at the rate of 1¼% will be paid to the Managers to all authorised agents forward applications to invest. Agents should deduct commission and VAT when making payment. Commission is not payable in respect of Barclaycard purchases.

**Prices and Yields** are published daily in Financial Times and other national newspapers. You can sell back your unit trust shares to the Managers at the bid price ruling when your instructions arrive. Payment will be made not within 7 days of receipt of the renounced certificate.

**Managers** Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 8JF, Tel. 01-534 5544. (Member of the Association of Unit Trust Managers.)

Trustees Royal Exchange Assurance



BARCLAYS UNICORN

**Application Form**

To: Barclays Unicorn Limited, Unicorn House, 252 Romford Road, London E7 8JF or 35 Castle Street, Edinburgh EH2 3DS

Surname (Mr., Mrs. or Miss) \_\_\_\_\_

For Name(s) (in full) \_\_\_\_\_

Address \_\_\_\_\_

I/We wish to invest £ \_\_\_\_\_ in shares of Unicorn '500' Trust and enclose my/our cheque for this amount.

If you wish to purchase the shares through your Barclaycard please fill in your Barclaycard number below: \_\_\_\_\_

I/We understand that shares will be bought for me/us at the offer price ruling on the day of receipt of this application, and that I/we will be sent a contract note showing the number purchased.

Please tick here if you want your net income automatically reinvested. ☐

I/We declare that I am/we are over 18 and am/are not resident outside the Scheduled Territories nor acquiring the shares as the nominee of any person(s) resident outside those Territories. If you are unable to make this declaration, it should be deleted and the form lodged through your bank, stockbroker or any other authorised depositary in the U.K. This offer is not applicable to residents of the Republic of Ireland. In the case of joint applications all must sign.

Signed \_\_\_\_\_ Date \_\_\_\_\_

FT 2003 UD Agents VAT Reg. No. \_\_\_\_\_ F.T. 20030D

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The talks between Mr. Ian Smith and Mr. Joshua Nkomo seem finally to have broken down. What does the future hold for Rhodesia?

# Why Mr. Smith may have lost his chance

From BRIDGET BLOOM, Salisbury, March 19

There can be few places in the world where for an hour the sense of unreality is as pervasive as it is tonight in Salisbury. A few hours ago, this small and leafy capital of the two remaining white-ruled states of Southern Africa, the last hopes that the Rhodesian White government might see sense and finally settle a settlement of its differences with the Black Rhodesians' life, and so resounding are the noises from Government that it seems unimaginable to most White people living here that there should ever be any change.

Very few outsiders would contest the judgment that the talks between Mr. Nkomo and Mr. Smith, which not only the last chance of a "moderate" settlement, but probably the last chance of a negotiated settlement of any sort. Whether they recognise it or not, the position in which White Rhodesians find themselves has changed dramatically since UDI 10 years ago.

## Negotiations

Mr. Smith, in an interview last Monday, told me that he thought the time had probably come for the resumption of direct negotiations between Salisbury and Whitehall. In 1966 and 1968, it was possible for Mr. Smith to negotiate direct with the British Prime Minister without a black face in sight. In 1971, direct talks were again held, this time between Mr. Smith and Sir Alec Douglas-Home.

But now that Mr. Smith himself has actually been talking direct to those acknowledged to represent African nationalism, there can be no going back. Mr. Nkomo is one of the most moderate Black Rhodesian leaders; he demands majority rule, and failed to get it through



Will more of them be needed? Rhodesian troops at a training camp learning counter-insurgency techniques.

negotiations. His rivals have already taken to heart the lesson of Angola and Mozambique and will seize it by the gun. But what may be recognised elsewhere as the inevitability of the "tide of history" does not seem to be so regarded here. Part of the reason is that despite the doubling of the armed forces recently, the war is still on a very small scale. The Government claims that it has killed 748 "terrorists" since December 1972, with the loss of 82 Whites, 18 of whom were civilians while some of the soldiers were South African. If every White family now has at least one relative doing his compulsory call-up, very few of those in the field have seen any fighting, or have been injured or killed. Rhodesia is nowhere near an Israeli situation. If the borders many farmers traditionally among the toughest of Rhodesia's Whites—are now living a more uncomfortable life, most White Rhodesians are not.

Meanwhile, against the background of normality in the town and most of the White farmsteads—and it is almost impossible to overstate how pleasant life still is for most Whites, with their groaning dinner tables, full shops, and obedient Black servants—there is the Government's recently stepped-up propaganda effort designed both to reassure the White electorate that all is under control at home and to emphasise the horrors of life in other African countries now under Black rule.

In one period of seven days earlier this month, there were no fewer than three Ministerial statements—one in the form of a highly publicised Press conference—assuring Rhodesians that the country's Security Forces have the situation in hand. At the same time, popular radio and television programmes underline the same message by reports of what is going on outside. One I heard spoke of chaos in Mozambique, killings in Angola, and ended

ample, at Mozambique—that the result would be the same whether there is a settlement or not, and thus they reason that they might as well hang on as long as they can. There is little likelihood that at this late stage political pressures inside White Rhodesia will avert the tragedy. It is certainly true that in the last few months in particular many White voters have become uncertain and confused. But the Government's insistence that all is normal—and the superficial evidence of their own eyes that the Government is right—is inclining many people to become more canoodle.

Many are of course planning to leave and it may be, as some suggest here, that Mr. Smith and members of his Government are unaware or unwilling to accept that many Europeans would leave at the first sign of real trouble. But it would be an exodus because the ship was seen to be sinking. Whatever voters might individually feel, there is little evidence of any real political pressure from within the ruling Rhodesia Front to impel the Government towards a more realistic course. The other parties are so small as to be almost entirely ineffectual.

In the cocktail bars, and at dinner tables around town, there have often been suggestions that Mr. Smith was prevented from settling with Mr. Nkomo by Right-wing pressures within the front. Mr. Smith himself denies this and he is certainly right. This is not because he does not have a Right-wing, but because he still towers head and shoulders above any obvious rivals; and because he himself has determined to settle only on his own terms—which were much less than majority rule.

Talk of a Right-wing coup by the former Minister of Information, Mr. Wickus de Kock, who resigned last October, or by the new Minister of Defence and Foreign Affairs, Mr. Pieter van der Byl, seems unrealistic at this time. So too does talk of a coup from the Left, a somewhat relative term by, say, the new Minister of Finance, Mr. David Smith. This is not to say that a loosening-up of Rhodesian Front politics is impossible. But Mr. Smith's resignation, or any other political movement, is likely only as a result of a really stepped-up guerrilla war. For the time being, Mr. Smith is in charge. He, and apparently only he, of Rhodesia's politicians is in possession of the real facts about the military and security situation; and for the time being—as I discovered last week—the exodus confidence that Rhodesia, without outside help, can sustain an indefinite guerrilla war.

The closure of the border by Mozambique will of course have adverse economic implications. Though it is difficult to put a figure on it, Rhodesia will lose exports to Malawi and Mozambique itself; it will also earn less from transit through Rhodesia from, for example, Zaire to Malawian or Mozambique ports, or from South Africa or Botswana to Malawi or Mozambique. It has already lost capital assets (especially rolling stock seized by Mozambique), and it will rapidly face higher costs for imports which must now be routed through South Africa.

## The economy

But the Finance Minister, Mr. David Smith, said on March 12 of the closure that "far from causing permanent damage to our economy, the general effect will be one of irritation, increased costs, and a slower rate of recovery in the second half of 1976."

But many White Rhodesians, one way or another, seem to be circling the same anxieties which are a small price to pay for a continuing high standard of living. How long White Rhodesians will continue to enjoy their good life, no one can tell. Depending on how the African guerrillas organise themselves, it could be years, rather than months, to turn Mr. Wilson's famous phrase. But what has become obvious, apparently to all but the small minority which rule in this tiny White island in Africa, is that it will end, not gradually and benevolently, but nastily. The Whites will lose, certainly, but very many Blacks, too, will lose what they have, or might have had, if White Rhodesia over the last 20 years had been less stubborn. That is the tragedy of Rhodesia.

capital expenditure by the manufacturing, distribution and service industries, and manufacturers' and distributors' stocks.

## LABOUR NEWS

### Pay restraint row brewing in UCATT

BY OUR LABOUR STAFF  
UK and file members of the general building union, the Union of Construction, Allied Trades & Technicians, are preparing a showdown with the union's leadership over its compliance with a voluntary wage restraint. These branches have put resolutions for UCATT's annual conference, in borough at the end of May, and a return to free collective bargaining.

The union's delegates to the TUC congress voted against the Government's 5% policy. But three weeks ago TUC negotiators accepted a 5% rise for 12 months from end of June.

### Rail strike demanded by drivers

BY CHRISTIAN TYLER, Labour Staff  
TRAIN DRIVERS on Southern Region, already threatening industrial action in protest against service cuts from April 20, have now called for a national strike.

The drivers' support from drivers on the Scottish region and are also counting on Eastern region men, who were out on unofficial strike over revised schedules for most of last week.

### Land and Range Rover good production to restart

BY OUR LABOUR STAFF  
A HUNDRED Rover cars which were held off because of the engine firm and assembly toolmakers' pay strike, have asked to report for work today. Production of Land Rover and Range Rover models further 750 men were laid off it is expected to restart.

### More executives willing to work abroad

BY OUR LABOUR STAFF  
AN INCREASE in the number of executives prepared to leave the UK for short spells overseas to establish projects of development, says a survey by the Overseas Service Commission, which has so far been sponsored by 27,500 white-collar staff currently registered with the commission.

## Leyland takes over German distributor in £1.6m. deal

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE disappointing fall in British Leyland's market share in West Germany last year, which saw sales plummet to 13,200 in a market of 2.1m, was followed yesterday by the announcement of a £1.6m deal which gives Leyland International complete control of its local distributor, A. Bruggemann.

It is no secret that Leyland has been worried by its failure to make an impression in the West German market. Last year, when car sales in Germany were the most buoyant in Europe, Leyland registrations fell below the figure achieved by Saturn (18,500), and were well behind the sales of even a modest importer such as Peugeot, which sold 48,000 cars.

Yet along with France and Italy, Germany is clearly one of the three countries in which the British company has to build up a strong base if it is to meet its targets set out in the Ryder Report of a 4 per cent market share in Europe by 1985.

The acquisition of Bruggemann falls in line with a long-term Leyland strategy, first established by the former management of the group, aimed at parent company ownership of the larger overseas distributors.

## Court action discontinued over S. Rhodesian stock

BY MARGARET REID

LEGAL proceedings begun last week by the Bank of England to force the Bank of Rhodesia to get the Bank of England to pay interest on his investment in the Bank of Rhodesia, which had been blocked since UDI in 1965—have now been terminated, the Bank announced yesterday.

The matter first arose when Mr. Harry Franklin, a former Minister of the Government of Northern Rhodesia (now Zambia), conducted a long fight to get interest paid on his holding of Southern Rhodesia 8 per cent stock 1975-81.

In April 1973, Mr. Franklin obtained a High Court order that the Bank was owed £218.87 of unpaid interest on his stock. It was further ordered that the judgment should be complied with by the registrar or other agent of the Government of Southern Rhodesia having possession in the England and Wales of moneys of the Bank of Rhodesia.

Mr. Franklin applied to the Bank of England, registrar of most Southern Rhodesian stocks, and received £41.15, which the Bank said was all it held on Southern Rhodesia's behalf. Mr. Franklin then pursued the matter, applying for the Bank to be examined on its documents, but the Bank successfully resisted this move, on appeal.

Afterwards, the Bank, in an effort to resolve the issue in view of the wider implications and public interest in the matter, to pay interest on his investment against Mr. Franklin, undertaking to pay his costs. This sought a declaration that the Bank now held no moneys of the Southern Rhodesian Government within the meaning of Section 20 of the Colonial Stock Act 1877.

The Bank said yesterday that there were as many as 15,000 to get interest paid on his holding of Southern Rhodesia 8 per cent stock.

Last July, however, Mr. Franklin gave notice, after the preliminary stage of the hearings, that he withdrew his defence in this action, having been advised that he could not, by further defending it, obtain a result benefiting U.K. holders of Southern Rhodesia stock. Last night, the Bank said that in the absence of an active defendant, it could not expect to secure the determination it had sought and that there was thus no point in continuing the action, which had now been discontinued.

Now Southern Rhodesia stocks have reached their redemption date since UDI, but have not been repaid. Their face-value, plus interest accruing, but unpaid, on all stocks, and certain related sinking fund moneys now total some £63m.

## Economic Diary

international trade. Sir Ralph Bateman, president of CBI, speaks at lunchtime meeting of Eastern Regional Council, Cambridge.

THURSDAY—Result of first ballot for Labour Party Leader. EEC Energy Ministers meet in Brussels. National Union of Public Employees one-day stoppage over public expenditure cuts (Scotland and Northern Ireland). Meeting of CBI committee on private industry.

FRIDAY—Mr. Alex Park, chief executive, British Leyland, at Foreign Press Association lunch, 11 Carlton House Terrace, London. Trade and Industry publication will include sales and orders in the engineering industry (Dec.). State intervention in private industry.

## Why the visiting potentate wound up in Mary Rathbone's little black book.

His Highness was a regular guest at Grosvenor House. He returned every two years, and stayed for up to four months with his entourage. Mary, our Head Housekeeper, remembers him as a dynamic, forceful man. For example, on Coronation Day, Park Lane was part of the processional route, and the front entrance to Grosvenor House was sealed off.

The worthy gentleman insisted on using it. The route organizers pleaded, the Metropolitan Police threatened. But he ignored them and drove off down Park Lane to be cheered by an unsuspecting crowd.

His Highness was also very particular. He demanded the same two suites and the same four rooms. He decreed their layout and furnishings.

All of which Mary noted in her little black book, so that on his return everything was exactly how he had left it. Similarly, there will be things you will prefer should you decide to stay with us. Perhaps a view of Hyde Park, or a special vintage wine. Flowers in your room, or oysters for breakfast.

Rest assured they will be available when you return. Trust Mary, and her little black book. Like the potentate's elephants, they never forget. After all, any hotel can offer you soft beds and agreeable surroundings. In the Grosvenor House tradition, we offer you great people, too. Call us on 01-499 6363, or at our Central Reservations Office on 01-567 3444.



PHOTOGRAPH BY LICHFIELD



## Hotels

Grosvenor House, Park Lane, London.

TRUST HOUSES FORTÉ—THE WORLD'S LARGEST HOTEL AND CATERING GROUP



## COMPANY NEWS &amp; COMMENT

## Second half boost for Lex Service

SECOND HALF profits of Lex Service Group showed an increase from £22.4m. to £27.3m., taking the total for the year 1973 up to £44.9m., compared with £37.1m. For the current year an encouraging improvement in profits is envisaged. Results based on information now available show that the group is currently exceeding its plan, with figures better than those for the last year, and the directors are confident that the year's outcome will confirm this improving trend.

The company's policy of covering, as far as is practicable, its forward commitment for foreign exchange in regard to the major part of the import programme of Volvo cars and parts will protect profits against the effects of the recent decline in the value of sterling in the first half, they point out.

First half earnings per 35p share are shown to be down from 3.43p to 3.09p after heavier tax. The dividend is held at 1.5075p net with a final of 0.8375p.

The directors explain that the exceptionally high tax charge is largely the result of unrelieved losses, including interest, in the U.S. They believe that as a result of steps taken and an improvement in the U.S. business together with lower interest rates in that country, a significant reduction in the effective tax charge will be achieved in 1974.

Turnover for 1973-74 was £180.2m. compared with £165.2m. for 1972-73. The group's total borrowings were reduced during 1973 to £48.1m. from £49.6m. at the end of 1972 and from £54.8m. at their peak at the 1974 half year. Of these borrowings 84 per cent. were funded on a long or medium term basis, and only a relatively small proportion is due for repayment before 1980.

Short-term borrowings were reduced during the year from £11.3m. to £7.7m. This includes the transfer from medium term debt at the beginning of 1973 of the £8 per cent. stock which was repaid on December 31, 1973 from resources. Cash with bankers increased during the year to £13m. from £9.5m. Overall net shareholdings were therefore reduced to £6.4m. from £11m. at the end of 1972 and from £18.2m. at June 1974.

Net current assets which were £0.1m. at the end of 1972 and £0.1m. at December 1973 had increased to £4.4m. by the end of 1973.

See Lex

## BET OFFSHOOTS

Income of the Electrical and Industrial Investment Company and the Birmingham and District Investment Trust, both members of the B.E.T. Group, has increased during 1973-74.

Income of Electrical and Industrial rose from £480,819 to £540,312 after expenses and interest, but before tax of £144,239 (£155,788). Birmingham share are shown at 38p (£38p) and the dividend on the Deferred stock is 34p (£34p).

Birmingham and District reports higher income of £17.1m. against £16.5m. subject to tax of £57,311 (£51,840).

Stated earnings per share are 3.86p (£3.81p). The total dividend is a same again 2.75p net with a final of 1.75p.

## BURY &amp; MASCO

The chairman of Bury and Masco (Holdings) is Mr. B. L. Allen, now Mr. D. L. Donne, as given in Wednesday's report on the 1973 results.

## Results due next week

THREE MAJOR industrial groups reporting this week at Newcastle Investments, Turner and Newall and Lucas Industries. But the newspaper industry, made topical last week by the Royal Commission on the Press, that would be expected to report a significant recovery in the second half from the 18 per cent. fall in profits reported at the interim stage and suggests a faster than expected improvement in U.K. plastics as well as a rise in overseas business. Some of the improvement may be the result of the strike at the Bell & Bostons Alloys, although a full recovery in operations here is not expected to be shown until the first half of the current year. The results are due on Tuesday.

A surge in profits is predicted for Lucas Industries this year with the pre-tax level at the interim stage expected to reach £20m. ahead of a possible total for the year of £45m. Last year, half time profits were £15.1m. and the full year hit £33.2m. The interim statement due on Thursday is expected to highlight a buoyant position in overseas demand for here in the first half is believed to have continued in the second half.

## INDEX TO COMPANY HIGHLIGHTS

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## Oliver Rix loss £429,091

A LOSS, before tax, of £171,837 was incurred by Oliver Rix in the second half of 1973-74, bringing the loss for the year ended September 30 up to £429,091, compared with a profit of £218,027 in the previous 13 months. The result was struck after debiting £38,117 (£116,000 in respect of discontinued activities, and interest of £700,244 (£521,303).

After tax £24,838 (£79,047) and charging extraordinary items and transfers from reserves of £161,329 (£108,043), there is a loss attributable of £1,068,578, compared with a profit of £2,988,000 in the previous 13 months, of which £22,951 in respect of associates.

There is no dividend compared with an interim of 0.0875p previously.

Chairman Mr. A. K. L. Stephenson states that in the after-effects of a very successful Superfund campaign, a balanced supply of new vehicles was impossible during the autumn. This was still further the difficulty in the current year, as a result of the motor division is not achieving expectations. Nevertheless, the directors believe that given some upturn in consumer demand, the rationalisation has to an appreciable extent laid the foundations for a return to profitability.

Turnover for 1973-74 amounted to £233.8m. (£228.1m. for the previous year) in respect of discontinued activities totalling £18.2m. (£10.7m.).

Members are told that bank borrowings have been reduced by £1m. since the peak in spring 1973.

A buyer has been found for the shares in Ingal Industries which have realised £227,950—some £27,000 higher than market value at February 28, 1974.

For the accounting period ended September 30 1974 the restriction on the priority borrowings imposed by the trust deed had been exceeded by some £25,000. The restriction continues to be exceeded and conditional waivers in respect of that breach of the trust deeds have been granted.

It is proposed to vary the terms of the trust deeds and to include new rights of conversion into Ordinary capital, and also the provision of security.

comment

Oliver Rix's dilemma is that any attempt to reduce the loss by difficult trading and liquidity position—pre-tax losses of £429,091 and an attributable loss of £1.3m.—by disposing of investments and properties, could well involve book losses. This would aggravate the present breach of borrowing restrictions: year end borrowings of £3.5m. exceeded shareholders' funds by £2m. and borrowing limits by

£345,000. Hence the proposals to lift the borrowings ceiling by £1.7m. and also the newly created conversion rights, which, on a pound for pound basis at par (3p)—last night the shares stood at 2½p—would increase the equity base by £918,797 or 28 per cent. In any case the company is in no position to repay the loan stocks at par, as the present breach requires. As for current trading, supply problems have apparently aggravated already difficult conditions in the motor division. Stockholders seem to have little option but to accept the proposals.

## Sidney Banks up half-time

TAXABLE profit of grain merchant and seed specialists Sidney C. Banks Ltd. for the year ended November 30, 1973 and stated earnings per 35p share are £1.72p to 3.66p. For the full year 1973-74 earnings are £1.72p to 3.66p, a record—and earnings 7.5p.

To reduce disparity the interim dividend is being raised from 0.85p to 1p net, absorbing £16,231 in 1.41m. shares. The previous year's total was 3p.

The chairman, Mr. J. B. Godber, says that in East Anglia the adverse drilling conditions of the autumn 1973 and spring 1974 have taken their toll on cereal yields, resulting in less grain being available for trading. However, the company has managed slightly to increase the tonnage of grain handled.

The weather conditions prevailing during the autumn were very favourable to the arable farmer, resulting in a large increase in the acreage of autumn sowing. The company has benefited from this situation and increased its retail sales. However, the opportunities for selling grain of seed corn have been to some extent reduced. The continuing favourable weather conditions would seem to indicate an increase in the cereal harvest of 1974.

comment

Sidney C. Banks' trading profits are 12 per cent. ahead, although margin has slipped by about a tenth to 2.36 per cent., and with greatly increased contribution from the Kings Lynn Silos, associate offsetting reduced interest receipts, the pre-tax gain is 14 per cent. Grain merchanting has increased both market and volume in the face of a 15-20 per cent. decline in harvest yields, while the retail side has been able to capitalise on good autumn drilling conditions. To some extent, some momentum may be gained in the second half, but the comparison will be with a depressed period. Firmer grain prices may also be of some help to margins. The shares rose by 2p

to 30p last night where the yield, assuming a maximum payment is made, is 10.2 per cent., covered 21 times on the last 12 months earnings.

## Hall Engr. £4.07m. profit

ON TURNOVER, virtually maintained at £48.24m. against £48.5m. profits of Hall Engineering (Holdings) were down slightly from £4.88m. to £4.07m. in 1973.

First half profits had dropped from £2.35m. to £1.5m. and the directors said then that the year's result would be affected by continued difficult conditions, although they expected the second half to show an improvement over the first six months.

Stated earnings per share for the year have dropped from 30.44p to 28.53p. The net final dividend is 2.882p making a total of 5.764p compared with 5.4012p previously. A one-for-three scrip issue is also proposed.

comment

In spite of a near one point drop in margins in the second half, Hall Engineering was still left at the end of the year with a 16 per cent. fall in pre-tax profits. Margins for the year were at 8.4 per cent. against a previous 10 per cent. The 23 per cent. fall in profits in the first half was partly due to starting up the new steel mill at Birkenhead, but some contribution from here was made in the latter months. Overall, however, the downturn in the U.K. economy and particularly in the construction industry, hit volume but compensation from operations overseas, largely in South Africa, left turnover unchanged. Some improvement in the concrete reinforcement business is detected, but stocks are at a higher level than last year resulting in some reduction in the cash position. The shares at 15½p yield 3.7 per cent. covered five times.

## Wheelock Marden provisions

Wheelock Marden and Co. estimates that consolidated recurring profits for the year ending March 31, 1974, will be in excess of £HK45m. before an exceptional provision of £HK22m. relating to the computer group.

The Board has resolved to establish criteria by which non-recurring profits, which in previous years accounted for a material portion of group net profits, will be taken to capital reserve and that dividends will in future be declared on recurrent earnings.

An interim has been declared in respect of 1973-74 of 5 cents per share and 0.5 cents per share and final dividends of not less than 5 cents per share and 0.5 cents per share are anticipated. To take advantage of the prospective upturn in world trade, the company intends to make a rights issue on the basis of 3 new shares for every 10 "A" shares held at £HK1.60 per share and 3 new "B" shares for every 10 "B" shares held at £HK1.16 per share.

The net amount to be raised will be some £HK100m. Proceeds will be applied towards development of the group's real estate projects and increasing its liquidity.

See Lex

## UNIT TRUSTS

## Barclays Unicorn '500' offer

THE Unicorn '500' Trust is on offer from Barclays Unicorn Trust with a minimum investment requirement of £150. The fund is invested in a wide spread of smaller companies with prospects of capital growth and the current estimated gross yield is 3.59 per cent. Since the trust was started in February 1966 the capital value has increased by 84 per cent. against a 30 per cent. rise in the FT All Share over the period. With income reinvested a £100 investment at the outset would now be worth £240.

comment

Inflation has had a sad effect on many of the paper increases in unit values over the past 10 years, but Barclays Unicorn '500' has a satisfactory showing and the managers make the point that real income for anyone who invested at the outset has doubled over the period. The proposition that smaller companies have an added attraction in the secondary stage of a bull market draws a good deal on past experience.

Prospectus, Page 12

## CANLIFE INCOME

Canada Life Unit Trust Managers is offering investors the Canlife Income Fund this week-end, yielding an estimated 7.5 per cent. gross. The underlying portfolio is heavily invested in high yielding equities (73 per cent.), with the remainder in preference shares and convertibles. The fund is designed to provide the unitholders with capital growth opportunities in European markets. A share exchange scheme is available and the initial accumulation units are available and there is a share exchange scheme.

comment

High income funds are still the best sellers in the unit trust market and the Canlife Income Fund offers a yield well above average. The fund has a good track record since its inception in 1972, with income and capital both increasing by 21 per cent. The high equity content offers potential for further increases in income.

Prospectus, Page 12

## JASCO

ARTHUR J. Securities is also offering investors the Jasco Commodity Share Unit Trust this week-end, yielding an estimated 7.0 per cent. gross. The minimum investment is £500 and the unit is a share exchange and monthly savings scheme are all available.

comment

The Jasco Commodity Fund is one of the more mature of commodity funds and has shown an increase of 40 per cent. in unit value since its inception in September 1971, while the equity market, as measured by the FT All-Share index, is still down over that period. Commodity shares are more heavily invested in the long-term growth stocks, but investors should remember that share prices of such stocks are still extremely volatile.

Prospectus, Page 21

## TRIDENT INCOME

Schlesinger is offering investors the Trident Income Fund, which currently returns a gross yield of

14.5 per cent. The prime aim of the trust is to maintain the growth in net income distribution per unit, so that it continues to outstrip the retail price index. Secondly, the fund aims at long term capital growth—since its launch the value of the units has risen by over 49 per cent. The portfolio is based upon preference shares (42 per cent.), the income shares of split level trusts (30 per cent.) and U.K. equities (16 per cent.). The minimum investment is £500.

comment

The Trident Income Fund, rates one of the higher yields in the field of income trusts, and its performance since its launch has been good. Moreover, Trident has also managed a fair amount of capital growth from its conservative based portfolio. It is an investment which may appeal to longer term holders, and for those investing more than £2,500 there is the added sweetener of the Personal Investment Management Service.

Prospectus, Page 12

## Gartmore International

The Gartmore International Unit Trust is advertising this week-end growth opportunities, this week-end, its portfolio being split between the U.S. (38.1 per cent.), Hong Kong (24.3 per cent.), U.K. (15.8 per cent.) and Japan (10.2 per cent.). The trust is small but it has the support of the £400m. Gartmore group plus back-to-back currency loan facilities. The minimum initial investment is £500 and the gross yield is estimated at 2 per cent. The fund is a growth vehicle and all income is reinvested.

comment

Now that the U.K. market is past the first flush of its recovery, attention has shifted to other world markets, and the Gartmore fund is for the moment, at least, for the time being, looking for above-average flexibility in this relatively small fund.

Prospectus, Page 3

## TARGET COMMODITY

Target Trust Managers is advertising the Target Commodity Fund this week-end with a minimum investment of £200. The aim of the fund is to invest in the shares of companies which produce or trade in the world's commodities and natural resources and the yield at present is estimated at 4.34 per cent. gross.

comment

The Target Commodity Fund offers investors the opportunity to take advantage of the current boom in commodity prices. Commodity shares have changed their status over the last decade from being high yielding speculative holdings to solid middle-of-the-road yielders with good growth prospects. The fund established commodity funds are among the performance leaders over the medium (five to seven years) term.

Prospectus, Page 3

## SECURITY SELECTION

The Security Selection Universal Growth Trust is on offer this week-end with a minimum application requirement of 2,000 units (£200). The fund's investments are spread on an international basis, mainly financed by dollar loans. Charges are on the basis of 3 per cent. initially plus 1 per cent. per annum.

comment

As one of the relatively few independently managed unit trusts (the group has no connection with any of the big league)

4.46 per cent. The prime aim of the trust is to maintain the growth in net income distribution per unit, so that it continues to outstrip the retail price index. Secondly, the fund aims at long term capital growth—since its launch the value of the units has risen by over 49 per cent. The portfolio is based upon preference shares (42 per cent.), the income shares of split level trusts (30 per cent.) and U.K. equities (16 per cent.). The minimum investment is £500.

comment

The Trident Income Fund, rates one of the higher yields in the field of income trusts, and its performance since its launch has been good. Moreover, Trident has also managed a fair amount of capital growth from its conservative based portfolio. It is an investment which may appeal to longer term holders, and for those investing more than £2,500 there is the added sweetener of the Personal Investment Management Service.

Prospectus, Page 5

## SCHRODER EUROPE

The Schroder Europe Fund is being offered by merchant bankers Schrodgers this week-end with a minimum investment requirement of £250. The portfolio is invested in Belgian, French, German, Dutch, Spanish, and Swiss shares and is designed to provide the unitholders with capital growth opportunities in European markets. A share exchange scheme is available and the initial accumulation units are available and there is a share exchange scheme.

comment

The Schroder Europe fund is a good idea for people with a desire to have part of their money invested in Europe, for most people would admit to having neither the expertise necessary to manage a portfolio of European shares or the facilities to get to grips with the currency complexities. But so far Europe has been a disappointing area for most of the specialist funds.

Prospectus, Page 18

## TYNDALL SAVINGS

Tyndall Assurance is also offering investors the Tyndall Savings Plan, a regular savings plan linked to the Tyndall Income Fund. By keeping the life cover at a low level, the plan ensures a very high proportion of premiums in units, the 10 per cent. deduction for expenses and life cover being only 5 per cent. The plan qualifies for tax relief under present rules but will lose this at the end of the month, so interested investors should act quickly.

comment

Under the new rules which come into force on April 1, policies which do not provide a high level of death cover will not qualify for tax relief on premiums. Investors who want to take advantage of life policies which have a high level of allocation to units and a minimal deduction for life cover should act quickly and Tyndall is offering the Tyndall Savings Plan linked to a fund with a good track record.

Prospectus, Page 13

## LAWSON HIGH YIELD FUND

The Lawson High Yield Fund is offering this week-end an estimated gross yield around the 12 per cent. mark. Income payments are made quarterly rather than half-yearly, which is the norm for unit trusts, and the minimum investment is only £100. The portfolio consists of preference shares, income shares in dual level investment trusts and ordinary shares.

comment

Lawson High Yield Fund's income return is above average, and though its investment policy is directed towards high yielding situations, the risk in high yielding situations is minimised by a wide spread of holdings. The performance of the fund has been reasonable.

Prospectus, Page 25

## WESTMINSTER PROP.

The Westminster Property Bond is on offer from City of Westminster Assurance this week. The minimum investment is £200 in the fund, which was started in 1968 and has 67 per cent. of its portfolio invested in industrial and shop properties. CNW specialises in smaller, more marly, properties away from main city centres. A tax-free withdrawal scheme is available for those who require income and the bond carries guaranteed life cover.

comment

City of Westminster Assurance was under different masters than the £230m. Sentry group when it started Britain's first property bond fund in 1966, but over the long term the Westminster Property Bond has flourished better than most of its contemporaries. Currently the managers lean towards industrial and shop properties whereas some of their rivals seem more keen on provincial office property.

Prospectus, Page 7

## TYNDALL INCOME

Tyndall Assurance is advertising the Tyndall Tax-Free Income Plan this week-end which enables investors to draw 10 per cent. of their equity free of all tax for a maximum period of 20 years. The Higher-rate taxpayers could, however, become liable for higher rate tax at the end of the period.

comment

Self-employed people cannot expect to receive much in the way of pension from the present or the proposed state scheme, but they are entitled to generous tax concessions if they make their own provision through a life insurance policy. The Tyndall Tax-Free Income Plan, which provides a fixed pension for each contributor and The Investment Plan

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Total of payments for year
Allsear Shipping	0.24	May 17	0.24
Arcl Ind.	0.24 (s)	April 21	0.24
R. Bailey	0.24 (s)	May 17	0.24
Shaw Bank	0.24	May 21	0.24
C.S.C. Invest.	1.74	May 11	1.74
Consolidated Plantations	0.24	May 11	0.24
Elect. and Industrial	0.24 (s)	May 11	0.24
Eng. Engineering	0.24	May 11	0.24
Medway Synate	0.24	April 3	0.24
Lex Service	0.24	May 11	0.24
Oliver Rix	0.24	May 28	0.24
Sime Darby (A.)	0.24	May 3	0.24
George Spencer	1.08	May 3	1.08

Dividends shown twice per share, not except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) Increased by rights and/or acquisition issues. (c) Gross; (d) To reduce disparity. (e) In respect of 18 months' rights to date. (d) Corrected.

## Sime Darby profit ahead at midway

FOR THE six months ended December 31, 1973, profits before tax of Sime Darby Holdings increased from £12.4m. to £13.2m. in 1973-74, profits totalling £25.8m.

Stated earnings per share, before extraordinary items, are maintained at 15p and the interim dividend is 8.5 per cent. (7.5 per cent.) gross—the previous total was 2p.

comment

Explaining a fall in turnover from £115.5m. to £127.25m., the directors say the figure for the corresponding period of 1974 contained companies which were sold during that year. The lower turnover reflects this disposal, and a reduction in turnover in certain other parts of the group. Profits before tax reflect savings in interest resulting from the cancellation of the 25 per cent. convertible guaranteed bonds 1988 of Sime Darby International Finance NV amounting to £518,871,000. Earnings per share including the share on the capital including the shares issued on the cancellation of the bonds which were cancelled on January 3 this year, are 15p. Profits of the plantation business has been more than offset by savings in interest charges and by improved results from the group's activities in Hong Kong and the U.K., both of which are now trading profitably.

The directors hope that the next six months will show a continuation of the progress.

See Lex

## ISSUE NEWS

## Lloyds—84.6% taken

Lloyds Bank's rights issue to raise £7.5m. on the basis of one-for-four at 210p per share has been taken up as 84.6 per cent. The £6,072,137 of stock for 28,000 shares not taken up have been sold at a net premium and will be distributed to entitled shareholders on a range of funds.

comment

Verbal Unsecured Loans received from 128 holders. £5,072,137 of stock for 28,000 shares not taken up have been sold at a net premium and will be distributed to entitled shareholders on a range of funds.

T. W. WARD—

Three W. Ward's rights issue, £6m. on the basis of three at 46p each has been taken up as 78.7 per cent. The balance of the issue has been sold at a net premium and will be distributed to entitled shareholders on a range of funds.

GILL AND DUFF

Borrowings of the Duffus Group are large on merchandise, held as a warehouse, which is known value but, it can be converted into cash at any moment.

In yesterday's report in rights issue, the worst respect of its 73 per cent. Cont.

comment

This withdrawal plan can be which invests the con attached to any one of seven different investment schemes and there are facilities for switching between funds.

comment

Higher rate taxpayers seeking income will usually find it advantageous to take out a bond with a withdrawal facility attached, rather than go for income funds. The 1975 Finance Act allows investors to withdraw up to 5 per cent. of their original cost of tax for 20 years, higher rate tax being payable when the bond is eventually cashed in. The Tyndall Tax-Free Income Plan offers investors this facility on a range of funds.

comment







# Act before 5th APRIL to claim extra tax relief now

Our new Plan enables you to get off to a flying start and build up a small fortune for the future.

For every £10 you pay during this financial year, ending 5th April, you can claim £1.75 tax relief. So you can get the maximum advantage of this tax relief, we are making it possible, with the special application form below, for you to backdate your monthly payments further than ever before—to the start of the current financial year.

Suppose you want to save £10 a month and you have £120 available for investment. By backdating your Plan, you can send us a cheque for 12 months' payments (£120) and claim tax relief of £21.00.

We will send you a form to take care of all future monthly payments automatically, and you can continue to claim tax relief throughout the investment period of your Plan.

How much will my Plan be worth? Unit Trusts are the best way for most of us to invest in stocks and shares owing to their full-time professional management and widely spread portfolio. With an M&G Unit Trust Assurance Plan you pay £10 a month or more for up to 20 years. How your investment builds up depends on the growth in the value of the units bought with your payments, reflecting both capital appreciation and ploughed-back income. As an example, a £10 Plan taken out with the M&G General Fund 20 years ago would now be worth £57.62, having cost a total of £2,040.

Round Cost Averaging. Regular monthly investment gives you the benefits of "Round Cost Averaging". By this method, when you invest a regular amount, you buy more units when the price is low than when it is high. Thus you build up a holding at an average price lower than the average of unit prices for the period and gain a genuine arithmetical advantage to your personal investment planning.

Long-term build-up. Unit Trust Assurance is designed for long-term investment. But you can stop your Plan or cash it in at any time. Clearly, the longer you keep it going the greater the likely benefit.

If you do cash in or stop your payments during the first four years there is a penalty, and the tax authorities require us to make a deduction. So you should not consider the Plan for less than five years. Higher-rate tax payers are advised not to stop payments or to cash in within ten years, for tax reasons.

Life Assurance Cover. As soon as your application is accepted your life is assured for 150 times your normal monthly payment. So £10 a month gives you £1,500 life cover.

M&G—Unit Trust Founders. M&G were the first company in Britain to introduce the unit trust form of saving, in 1931. Today we look after over £500,000,000 for some 300,000 savers and investors.

M&G employ no salesmen. Costs are low and as much as from 86% to 94% of your payments, depending on your starting age, is invested, except in the first two years when we invest 20 percentage points less to meet setting-up expenses.

Your regular investment in the M&G General Trust Fund (valued at over £60,000,000) is spread among a carefully chosen selection of stocks and shares, including many blue chips—with the profits and dividends ploughed back for the benefit of the investors.

How to join. Complete the application form below and return it to us with your cheque for the first payment. The maximum starting age is 54 (women 58). If you are 50 or over, or want to save more than £20 per month, or cannot sign Part I of the Declaration, delete that part of the declaration and we will send you our standard proposal form.

**BACKDATED POLICIES CAN ONLY BE ISSUED IN RESPECT OF APPLICATIONS RECEIVED NOT LATER THAN 5th APRIL, 1978.**

To: M&G Trust (Assurance) Ltd, Three Quays, Tower Hill, London EC3R 6BQ, Tel: 01-626 4588.

I WISH TO SAVE ☐ £100 EACH MONTH (minimum £10), and I enclose my cheque for £100 representing ☐ monthly payments (not more than twelve), payable to M&G Trust (Assurance) Ltd.

I understand that my money will be invested in the M&G General Trust Fund.

SURNAME (Mr/Ms/Ms/Ms)  
FULL FORENAME(S)  
ADDRESS  
POST CODE  
DATE OF BIRTH  
OCCUPATION  
NAME OF USUAL DOCTOR (to whom reference may be made)  
ADDRESS

ARE YOU AN EXISTING M&G PLAN HOLDER? YES/NO

Declaration: PART I I declare that, to the best of my belief, I am in good health and free from disease, that I have not had any serious illness or major operation, that I do not engage in any hazardous sports or pursuits, that I do not engage in aviation except as a licensed pilot, and that I am not engaged in any other hazardous activity. PART II I agree that this declaration and any declaration made by me in connection with this proposal, shall be the basis of the contract between me and M&G Trust (Assurance) Limited, and that I will accept their customary form of policy.

SIGNATURE DATE

Registered in England No. 66438. Registered Office: M&G Trust (Assurance) Ltd, 99-101 New London Road, Chelmsford CM2 0PT.

This offer is not available to residents of the Republic of Ireland.

BA 530326

## £4m. second half loss from Alcan (U.K.)

A LOSS of almost £4m. was recovered by Alcan Aluminium (U.K.) in the second half of 1977. This brings the deficit for the year to £1.4m, compared with a profit of £7.7m. in the previous year. Sales showed a reduction of nearly £24m. to £133.0m. Chairman Mr. John Elton says that some recovery can be foreseen in the months ahead in the U.K., but whereas the company spent £2m. on new equipment in 1977, it does not expect to spend more than £5m. in 1978 because of inadequate profitability.

In 1977-78, at a time of strong demand, because of price control and unjustified definition of profit reference levels in the Price Code the company was unable to raise prices in time to give adequate profitability on the large investment in new plant which had previously been made. Until such time as sufficient profitability and cash inflow can be foreseen, further expansion is impossible, declared the chairman.

He says that studies have shown that new greenfield developments taking three to five years to bring into operation will require product prices 40-80 per cent. higher than today's levels even if inflation is controlled at 6-8 per cent. There was therefore, Mr. Elton stresses, a "price visibility" gap in justifying a new project quite apart from the world wide difficulty of finding enough capital to mount it.

The chairman feels that 1978 was one of the worst years in the aluminium industry in many parts of the world. In the U.K. the demand and high inflation added to the company's troubles. He describes the loss attributable to Ordinary holders—£2.3m. (£2.7m. profit) as most unsatisfactory even though this arose after taking account of losses on dollar borrowings and increased costs of raw materials paid for in dollars of £2.5m. Furthermore, redundancy payments totalled over £750,000.

The group is determined to improve its financial results and return to the improving trend of 1976-77. Increased sales, further improvements in productivity and higher prices are all necessary, but Mr. Elton feels it will probably be 1977 before the financial position is corrected. Five Aggar Cross the support it requires to take full advantage of its opportunities in West Africa has led us to take the first steps

in slowing down shipments to that market. Earlier this week Newman Industries announced its intention to make a formal offer for the capital of Aggar Cross not at present owned.

## £0.5m. fall at George Spencer

SECOND HALF profits of Vedonic knitwear makers George Spencer came to £13,975 for 1977, compared with £15,463 a year earlier, on a turnover maintained at £8.2m.

Earnings are down from 5.1p to 3.5p per 25p share. The dividend is again 2.5p net, the final being 1.59p.

Turnover: £8,200,000  
Profit before tax: £13,975  
Tax credit: £1,700  
Profit after tax: £15,675  
Dividend: £15,463

James Wilkes down to £0.4m.

Turnover of James Wilkes for 1977 dropped slightly from £8.5m. to £8.4m, but profit fell sharply from £0.21m. to £0.18m. before tax of £0.21m., compared with £0.42m. in the first half profit was down from £0.42m. to £0.19m. and it was explained that the results were overshadowed by a deteriorating business climate. It was not possible to recover many increased costs and in the second half the company was faced with very heavy increased wages and other associated wage costs.

Stated earnings per 25p share for the year are down from 11.5p to 5.7p. A same-again final dividend of 2.06p net keeps the total at 3.65p.

The company makes business forms and equipment.

Turnover: £8,400,000  
Profit before tax: £18,000  
Tax credit: £1,700  
Profit after tax: £19,700  
Dividend: £15,463

## Agar Cross well up to forecast

PRE-TAX profit of Agar Cross and Co. for the six months to September 30, 1977, was £208,000 compared with £171,500 in the comparable period of 1976. Therefore the company is running comfortably ahead of the forecast for the current year of £250,000 made last July.

Chairman Mr. Alan Bartlett says the forecast has been exceeded despite limitations in the financial support available for exports to subsidiaries of British companies.

Group turnover: £1,617,000  
Operating profit: £212,000  
Profit before tax: £208,000  
Tax credit: £1,700  
Profit after tax: £209,700  
Dividend: £15,463

Figures disclosed have been prepared in accordance with normal accounting principles and are based on audited accounts of the major trading subsidiaries operating in Nigeria and on management estimates for the parent and the subsidiaries in the U.K.

This situation is particularly frustrating in the light of the fact that, with the current lack of facilities, the flow of money from Nigeria cannot keep pace with our flow of British products to that country. The official inability to give Aggar Cross the support it requires to take full advantage of its opportunities in West Africa has led us to take the first steps

## TMG exceeds forecast

DUBLIN-BASED iron founders, etc., TMG Group reports pre-tax profits up from £108,718 to £208,301 for 1977, a dividend total of 13.75p gross per 25p share compared with 8.75p, and a one-for-one scrip issue.

At half way, profits were up from £100,000 to £210,000. In December the directors forecast full-year profits of not less than £200m.

After tax of £1,200, against a restated profit of £1,575 earnings are shown to be up from 10.85p to 50.65p per share.

The directors say that the profit level is primarily due to the firm and effective action taken both in halting loss-making situations and in actively developing profit centres.

In recommending the final dividend of 6.25p, the Board is conscious that in recent years Ordinary holders have had their dividends reduced and that on one occasion they received no dividend at all.

With the capital structure of the group in mind the Board intends to seek approval of a one-for-one scrip issue and an increase in the authorised share capital of an additional 2m. Ordinary shares.

Turnover: £4,400,000  
Profit before tax: £208,301  
Tax credit: £1,700  
Profit after tax: £210,001  
Dividend: £15,463

Net assets are given as 143p (108p) per share. Group borrowings stand at £1,415,000 (£1,415,242) at year-end, and borrowings as a percentage of shareholders' funds and Government grants was 72.9 (108.8) per cent.

## Second City Props. making headway

On turnover for the half-year to November 31, 1977, of £8.97m, Second City Properties reports an advance in taxable profits from £433,333 to £456,533.

The interim dividend is lifted from 0.402p to 0.455p net. Last year's total was 1.084p net from profits of £88,420.

After tax for the six months of £237,387 (£235,333) the net balance comes through up from £208,000 to £219,136.

## Town Centre upsurge in first half

A sharp increase in pre-tax profit from £20,638 to £128,516, is reported by Town Centre Securities.

Second City Securities ended December 31, 1977 and exceeds the £116,151 achieved in year 1976-77.

Group revenue before interest charges is £1,077,077. Tax charge is £87,000 (nil).

## Hirst and Mallinson

The outlook for Hirst and Mallinson, of Huddersfield, was far more reduced profit in the first half, chairman Mr. David Hargreaves told the annual meeting. He added that the company's financial strength was however, unimpaired and expected much better results in the second half.

Unless there was a further "substantial" deterioration in economic conditions the maximum permitted dividend would be paid.

Mr. Hargreaves said that since his statement with the accounts there had been continued deterioration in the trading climate of the textile companies. "We have therefore been forced to review the position of these two units as a result of which we have restructured the business in order to reduce significantly their level of fixed costs."

"We believe the steps we are taking will markedly improve their immediate profitability."

## SHARPE & FISHER

The yesterday's report on the 1976 results of Sharpe and Fisher, figures relating to the first half were incorrectly given. From sales of £4.77m, the profit was £0.2m. for the first half of 1976, compared with £4m. and £0.34m. respectively in the corresponding period of 1974.

## Allseas drop

PROFITS of Allseas Shipping, on its Ordinary Shares, were down from £663,708 to £425,257 in the year ended 31st March 1978. Stated earnings per share are 0.71p against 0.77p. A net dividend of 0.35p is recommended compared with an equivalent 0.25p previously.

Turnover was little changed at £6.6m. (£6.74m.). The profit is struck after depreciation of £18,885 (£17,165)—there is no tax charge this time (£157,627).

The directors expect that the accounts will be ready for posting by mid-April and the annual meeting is adjourned to May 17.

The amounts transferred by mid-April and the annual meeting is adjourned to May 17.

London & Manchester bonus up

London and Manchester Assurance Company announces a final dividend for 1977 of 2.59p per share—gross equivalent being 3.99p per share (£6.77p in 1974). This makes a total gross dividend up from £6.04p to £7.10p per share.

L and M has also announced an increased reversionary bonus transfer is excluded.

YOUR WEEKLY INVESTMENT SERVICE - THE

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## Schroder Europe Fund.

To manage a successful unit trust, first you have to find the right investment.

The Schroder Europe Fund is an authorised unit trust designed to enable United Kingdom investors to participate in a balanced portfolio of European stocks providing capital growth.

The Fund offers long term investment opportunities over a number of European economies which have in the Manager's opinion good economic growth and a healthy stock market outlook.

It provides an opportunity to spread your investment over a wide area knowing that Schroder Wagg, who manage the investments, are one of Britain's biggest and long established international merchant banks.

They have substantial international and continental connections essential for managing a European portfolio.

What is the Schroder Europe Fund? Minimum initial investment: £250.

Investment Policy: European stocks. Schroder Europe Fund is a unit trust designed to enable United Kingdom investors to hold securities in major European countries with controlled and healthy economies.

The Fund is invested in ordinary shares and convertibles of European industrial and financial companies in Belgium, France, Germany, Holland, Luxembourg, Spain and Switzerland.

It provides unitholders with an effective way of obtaining a stake in the leading companies of Western Europe, at the same time freeing them from dealing with the complexities of currency fluctuations, the investment dollar premium, and local taxes.

The Fund has two types of unit. Income units which have their net income distributed twice yearly (15th June, 15th December); and accumulation units where the net income is automatically reinvested.

On March 11th the offer prices of income and accumulation units were 36.7p and 38.5p respectively and the estimated gross yield was 2.58%.

How to invest.

To apply for units in the Schroder

Europe Fund simply fill in the coupon below. The minimum initial subscription is £250. When you have filled in the form below, units in the Schroder Europe Fund will be bought for you on the next Subscription Day at the price ruling on that day.

Applications will not be acknowledged a contract note will be sent upon subscription and certificates forwarded within 6 weeks of purchase.

Upon sale, payment will be made within 14 days of receipt of the redemption certificate.

The Subscription Day for the Schroder Europe Fund is every alternate Thursday.

Where you already own investment but would like to exchange them for units in the Schroder Europe Fund we will gladly do so on attractive terms through our Share Exchange Scheme.

The scheme carries no special charges and the cost of commission on the sale of exchanged shares is borne by us.

Remember that the price of units at the time of purchase can go down as well as up.

Prices of units, together with their current gross yields, can be found in the major financial newspapers. Investment in unit trusts should be regarded as long term.

Low dealing charges. There is an initial charge of 2% to the Fund, and this is included in the price of unit. This charge is, however, waived if subscriptions of £20,000 upwards.

An annual charge of 1% (+VAT) of the average value of the Fund is made to cover the running costs, including the Trustees' fees. This is deducted from the gross income of the Fund before the income is paid to unitholders.

The spread (that is the difference between the buying and selling prices of units) for the Fund is 6%.

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Application for units in the Schroder Europe Fund, or for further information.

To: J. Henry Schroder Wagg & Co. Limited, Unit Trust Dept., Heron House, 519/525 High Holborn, London WC1V 6PL.

I wish to invest in units as shown below at the price ruling on the next subscription day. (Minimum unit subscription £250.)

I declare that I am over 18 years of age or over and that I am not resident outside the United Kingdom and that I am not acquiring these units as the nominee of any person (s) outside these territories.

This offer is not available to residents of the Republic of Ireland.

Signature (Do NOT send any money until you receive a contract note showing the exact amount due.)

For name (s) \_\_\_\_\_

Address \_\_\_\_\_

For full details about the Schroder Europe Fund, see the Share Exchange Scheme, page 32, or contact us and address only on this coupon and tick the appropriate box.

Managers: J. Henry Schroder Wagg & Co. Limited, Members of the Association of Unit Trust Managers, Trustees: Lloyd Bank Limited.

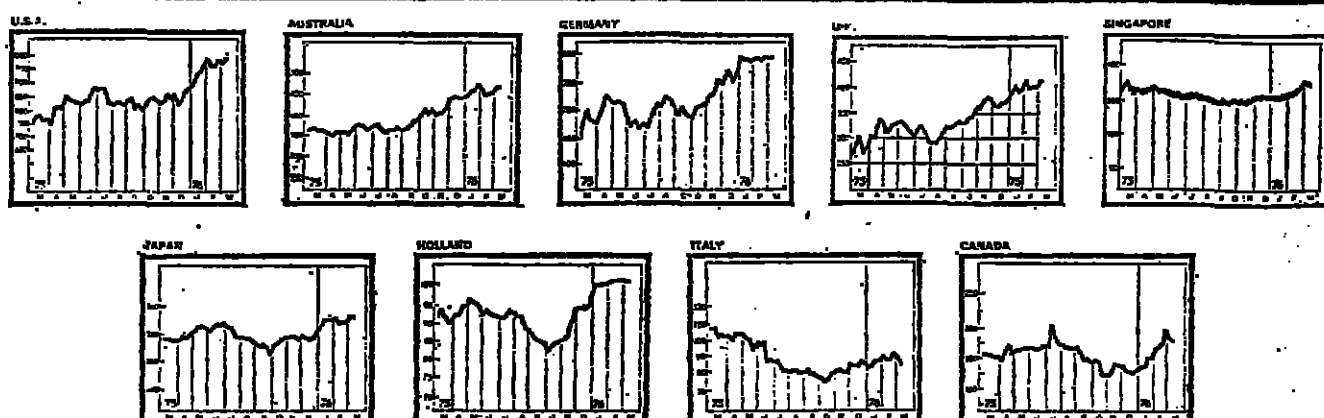
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### How To Buy Units

To buy units simply complete the application form, indicating whether you wish income to be distributed or reinvested, and post it together with your remittance to the Managers at the address given on the form. Your application will be acknowledged by return of post and your certificate posted to you within thirty days.

General Information. Income or Capital Appreciation. Two types of unit are on offer—Income Units. For investors wishing to draw an income two distributions are declared each year, on 15th January and 15th July. The first distribution on the units now being offered will be on 15th July, 1978.

Accumulation Units. Income attributable to these units is automatically reinvested in the Trust, adding to the value of the Accumulation Units.

Tax Position. As an authorised unit trust Security Selection Universal Growth Trust enjoys special taxation advantages in relation to the treatment of capital gains, which are not available to individuals who invest directly on their own behalf. The Trust pays corporation tax at the rate of 10% on its profits. On the disposal of assets the Trust is liable to pay capital gains tax at the rate of 30% on any capital gain so realised to be set against their own liability to tax on that asset.

Charges. Included in the offer price is an initial charge of not more than 2% together with a small commission on units. Thereafter the only charge is a half-yearly fee of 1% paid out of the net income of the Trust. One of the initial charges a commission of 1% will be paid to recommended agents on applications bearing their stamp.

Trustees and Managers. The Trustees are Midland Bank Trust Company Limited, 119 Old Broad Street, London, EC2M 1AD. The Managers of the Trust are Security Selection Limited.

How to Sell Units. Simply return your certificate to the Managers indicating the number of units you wish to sell. The sale will be transacted at the bid price ruling on the next valuation day. A premium for the proceeds plus a certificate for any balance of units will be posted to you within a few days of the valuation date.

Valuation. The Trust is valued fortnightly and bid and offer prices are quoted in the Financial Times and Daily Telegraph.

For Security Selection Limited, 3 The Crescent, The Minories, London EC3N 2LX. Telephone: 01-499 4213.

Income reinvested (Accumulation) ☐ Income distributed (Income units) ☐

Yours faithfully, Security Selection Limited.

Offer Closes March 31st



## Swimming Pools

FINANCIAL TIMES REPORT

## Long-term delights

BY ARTHUR SANDLES

IT WAS when a swimming pool was the automatic badge of affluence. It rated, along with the bigger foreign car, and the power boat, as one of the big tickets for entrance to middle classes. Perhaps it is the long-term benefits of swimming pool industry that those days are now largely forgotten. Foreign cars are now often bought because the tasters feel they are getting a value for their pounds because they are a status symbol. Power boats are now being bought because they are a status symbol. Swimming pools are now being bought because they are a status symbol.

The "will I, won't I" decision over the installation of a pool is a difficult one. There are all manner of questions involved, some more light-hearted than others. A few years ago I stumbled across a convenient part of my own garden which forbade any building. It took some legal investigations to sort out whether or not a swimming pool was a building (in this case it was thought not).

## Entertain

It is not, however, the legalities of the position which influence most purchasers, but the practicalities. It is surprising how often people make a substantial investment in

term trouble-free operation, and the use that his family will get out of it.

The size of the swimming pool market in Britain is not easy to assess. The business is highly fragmented and statistics are not easy to gather. In the glorious days when the rush was on there may have been more than 8,000 pools a year being installed in the U.K. The market is now substantially less than that, but still considerably healthier than many outsiders might think.

The "will I, won't I" decision over the installation of a pool is a difficult one. There are all manner of questions involved, some more light-hearted than others. A few years ago I stumbled across a convenient part of my own garden which forbade any building. It took some legal investigations to sort out whether or not a swimming pool was a building (in this case it was thought not).

A good pool installer is not the one who urges you to go for the most expensive installation in his product line, but more the most satisfying. A customer who during future years looks out lovingly upon his pool is the one who in turn enthralls his friends and sends them along to the same source. Beware the company who claims that biggest is best, and also the installer who is unable to show you a few neighbourhood satisfied customers.

Never worry about asking questions of people who already have swimming pools on their land. There is no bore like a swimming pool bore and given only half a chance the average swimming pool owner will happily launch into a full lecture on chlorination, algae, heating, the problems of leaves



Individually designed pool recently built by Classic Swimming Pools using the granite solid concrete process.

and of ice. He will tell you how his daughter is now the county champion, how his wife has lost a stone and a half, how he avoided his middle age coronary, and how his son is now the most popular young escort for miles around.

It may not all be true, but at least you will have got some ideas about swimming pools.

Quite apart from the basic pool, a great deal of attention has been paid to problems perhaps peculiar to the British market — garden size and the weather. In fact our weather is not as bad as many foreigners would have us believe, but even if it were there have been considerable strides in recent years in the provision of lowish cost (nothing these days is cheap) temporary or permanent cover to keep out the elements and lengthen the season. It is worth consulting expert opinion over such cover, of course, because the more permanent it becomes

the more likely you are to run foul of planning permissions and covenants.

Garden size is often combined with spending limitations, and it is here that above the ground pools have made such headway. In their early days these raised pools were often somewhat less than attractive in their appearance, no matter what pleasure they gave the families involved. Recently it has become possible to buy raised pools which are either of more substantial construction than plastic and aluminium frame — or certainly look as if they are. The dividing line between raised pool and sunken pool has become blurred of late as the former has grown more attractive in design.

## Children

There can be little doubt that families with young children are the ones who get the greatest use out of their pools. Not only

are they a source of relaxation and exercise but, in the summer months, they tend to be a family focal point. Somehow, swimming in the pool with the kids is a little less energy absorbing than playing cricket on the lawn.

A swimming pool is a very satisfactory investment from this point of view bringing, as it does, the family together in a way which few other activities can rival. Pools are still a status symbol, there is no escaping from that, but their value in other fields is rather more important and it is for these reasons that they are being bought today. Certainly there are a great many pertinent questions which any prospective purchaser should put to his possible installer, but the reasons for consideration of such a purchase remain as strong as ever — and given a little bit of luck we might be in for yet another long hot summer.

## How to get it built

BY PHILIP H. PERKINS

THERE IS a growing tendency for people to think in terms of building their own pool. If this can be done successfully then there is certainly a large saving in cost, but the "if" is a large one. Except for small prefabricated pools and those sold as complete kits, or for the very experienced do-it-yourself man who can call on additional labour when required, I would not recommend a do-it-yourself operation.

The basic requirements for any swimming pool are: it must be structurally sound; it must be watertight both against leakage of water when the pool is full, and seepage of water into the pool when it is empty; it must be finished with an attractive smooth and impermeable surface; it should be provided with equipment for filtering and sterilising the water; a diving board should only be provided when the minimum depth and area of deep water is not appreciably less than that recommended by the Amateur Swimming Association, which is 3 metres depth over a length of 4.5 metres for a 1 metre spring-board.

Pools can be either open-air or enclosed. The open-air pool can, in this country, only be used in comfort for about four months of the year, extended to five months if heated. On the other hand, an enclosed pool can be used all the year round, but the cost of providing a satisfactory enclosure is very considerable indeed.

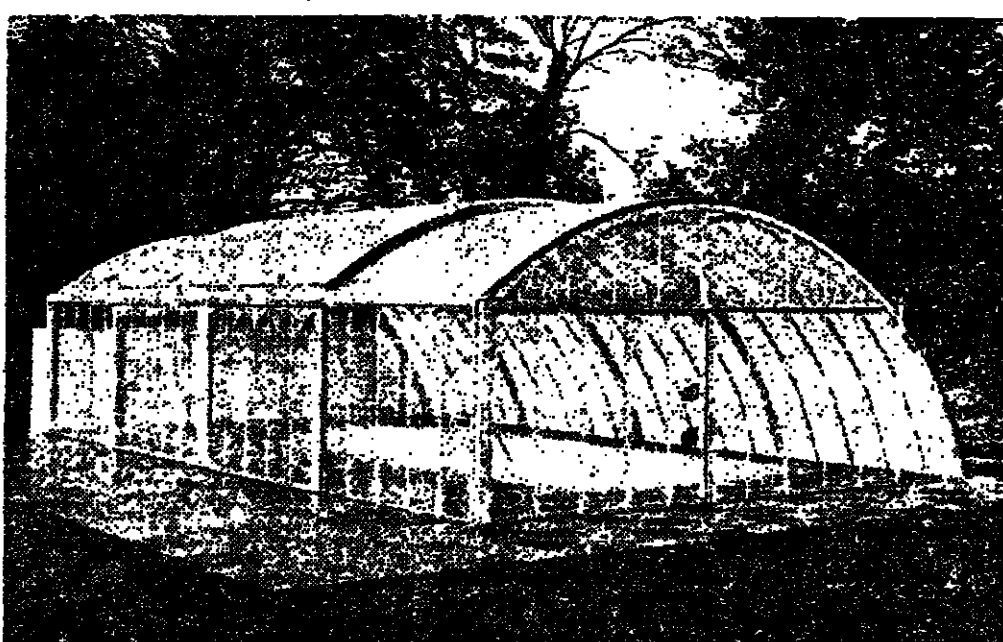
## Surface

Of the open-air pools there is the small prefabricated type which is placed on or slightly below the surface of the garden, and the other type, which is sunk more or less to its full depth into the ground. Those built on the surface are small and usually made of timber, aluminium or galvanised steel with a PVC lining.

When pools are prefabricated or formed of prefabricated units, there is a strict limit to variations in shape. Owners often ask for a "free-formed" pool and this can increase the price considerably. Pools of this type, such as reinforced concrete or gunite or reinforced concrete can be any shape, size and depth, it is simply a matter of cost. Because gunite does not require formwork, the cost would be less than concrete.

A number of package-deal contractors are prepared to build under guarantee pools constructed on a reinforced concrete slab with the walls in reinforced concrete blockwork. Many pools constructed in this way have been built successfully, but there have also been failures, and when considering this form of construction careful consideration should be given to the bona-fides of the contractor. Concrete blocks are themselves not watertight and therefore require rendering or other coating materials on both sides of the wall.

Apart from the do-it-yourself job, there are two principal ways of going about getting



The covered Rubic Pool built by Buckingham Swimming Pools in sizes from 30 by 24 feet to 70 by 30 feet. Large areas of the roof and sides slide open for warm weather.

your pool built which can be recommended:

1—To engage an architect or civil engineer with experience in swimming pool design and construction, who will take full responsibility for the design, letting of the contract and supervision of the work. This course is advisable for large pools and covered pools.

2—From, say, three swimming pool contractors obtain offers for the type of pool you need. The names of suitable contractors can be obtained from the Swimming Pool and Allied Trades Association at 87 London Road, Croydon, CRO 2RF. Telephone: 01-888 3681.

When detailed proposals have been obtained it is worthwhile to have these examined by a professional man and to take his advice: it is particularly important that any guarantee contained in the contract should be read with care. In view of the very high cost of this form of leisure activity, the relatively small expenditure of money on impartial advice is well worthwhile.

When things do go wrong with the job one starts to look into the contract documents to see what the contractor has really undertaken to do. I can recommend that there should be provision for arbitration in the contract documents; if a dispute arises this is preferable to court proceedings. Advice on arbitration, which is conducted in private, can be obtained from the Institute of Arbitrators, at 75 Cannon Street, London EC4N 5BH, telephone: 01-236 8761.

There is now a wide range of finishing materials for the pool. For pools which are sunk in the ground, I recommend that the finishes should only be applied to a pool which has passed a water test. A drop in water level of 12mm (½ inch) over a period of 7 days is the maximum which should be accepted. The applied finishes, in ascending order of cost, are: cement based paints; These are low in cost and very easy

to apply, but the pool would probably have to be completely redecorated every year.

● Chlorinated rubber paints: are rather more difficult to apply, and special attention must be paid to the recommendations of the suppliers. They are more expensive but more durable, and should last several years.

● Paints and coatings based on polymer resins, such as epoxies are also rather difficult to apply. They are expensive, but should last several years.

● Prefabricated linings of sheet PVC: these can be now be obtained in attractive colours and patterns and cost between £4.50 and £6 a square metre.

● Marbleite is an in situ white terrazzo about 5-10mm thick, and is the usual finish recommended by package-deal contractors. When properly applied it is attractive and durable, but stains easily, and experience suggests that it is not easy to apply a decorative coating at a later date when the surface of the marbleite has become badly stained. The cost is about £5 a square metre.

● In situ pigmented linings of glass fibre embedded in polyester resin: when properly applied these are durable; they have been used in a number of public leisure centre pools. Cost about £5 a square metre.

● Ceramic tiles and ceramic mosaic: the tiles should be frost-proof, that is, fully vitrified when used for open air pools. Cost of tiles about £15 a square metre, cost of mosaic about £12 a square metre.

A form of water treatment, including filtration and sterilisation should be provided for all swimming pools except those of the very small surface type. The sterilising agent used in this country is chlorine and this is dosed into the pool by various means. On the Continent, because of the unpleasant smell of chlorine and the fact that some people find it very irritating to their eyes,

and throat, the use of ozone and chlorine dioxide is becoming popular; bromine has been used to a very limited extent. If chlorine dioxide is used it is generally necessary to dose with chlorine from time to time in order to maintain complete clarity of the water. Another method of sterilisation is to use equipment which will liberate silver ions into the water after filtration. The silver ions are liberated by the passage of an electric current through specially designed silver plates. The pH (measure of acidity or alkalinity) of the water has to be very carefully controlled.

## Quality

The ultimate cost of the pool will vary enormously, depending on the quality of the materials and workmanship used and on its size, shape and position. A surface pool, holding 1,500-2,000 gallons is likely to cost £400-£600 complete with filter, steps and various small items of equipment. An open-air pool, sunk in the ground holding about 20,000 gallons of water, built in reinforced gunite or concrete and finished with frost-proof tiles or mosaic, including good quality water treatment and heating equipment, will now cost not less than £5,000. A covered pool of about the same size, properly constructed with thermal insulation and air conditioning to avoid condensation, is likely to cost about £20,000.

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# Boat Race ish at last

By JAMES DONNE

THE Oxford and Cambridge Boat Race, which has been a tradition for over 150 years, is set to start on the River Thames on Saturday, March 27. The race, which is one of the most famous sporting events in the world, has been postponed for several years due to bad weather and other factors. This year, however, the race is being held on its traditional date, and it is expected to attract a large crowd of spectators.

The race is a 4-mile race, starting at Putney and ending at Mortlake. It is a very tough race, and the crews are expected to be in excellent form. The race is a very important event for both universities, and it is a source of pride for them.

The race is a very old tradition, and it has been held every year since 1829. It is a very famous event, and it is one of the most watched sporting events in the world. The race is a very important event for both universities, and it is a source of pride for them.

The race is a very tough race, and the crews are expected to be in excellent form. The race is a very important event for both universities, and it is a source of pride for them.



Mr. Cyril Stein, the chairman of Ladbrokes, seen on the towpath with the two crews after announcing that his company are to sponsor the race.

The Ladbrokes Group's decision to sponsor the race is a significant move, as it ensures that the race will continue to be held on its traditional date. The group, which is one of the largest betting companies in the world, has a long history of sponsoring sporting events.

The race is a very important event for both universities, and it is a source of pride for them. The race is a very tough race, and the crews are expected to be in excellent form. The race is a very important event for both universities, and it is a source of pride for them.

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## Barclays Insurance Brokers

BARCLAYS INSURANCE BROKERS INTERNATIONAL has been formed by Barclays Bank. The new company, which is a subsidiary of Barclays Bank, will be responsible for the insurance business of the bank's international customers.

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## COMMODITIES/Review of the week

### Metals lead price surge

COMMODITIES STATE

METAL prices surged again this week on the Metal Exchange. The price of copper, which has been a major factor in the surge, rose to a new high of £115.50 per ton. This was due to a combination of factors, including a shortage of supply and a strong demand for the metal.

The price of zinc also rose, to £45.50 per ton. This was due to a similar shortage of supply. The price of lead rose to £25.50 per ton, and the price of tin rose to £1,250.00 per ton.

The price of sugar rose to £12.50 per ton, and the price of coffee rose to £1.50 per ton. The price of wheat rose to £1.25 per ton, and the price of barley rose to £1.00 per ton.

## MARKET REPORTS

### BASE METALS

CURRENCY UNCERTAINTIES were the dominant factor behind this week's surge in base metal prices on the London Metal Exchange. The pound sterling, which has been weak against the dollar, has led to a strong demand for base metals, which are used in a wide range of industries.

The price of copper, which is the most important base metal, rose to a new high of £115.50 per ton. This was due to a combination of factors, including a shortage of supply and a strong demand for the metal.

The price of zinc also rose, to £45.50 per ton. This was due to a similar shortage of supply. The price of lead rose to £25.50 per ton, and the price of tin rose to £1,250.00 per ton.

## MARKET REPORTS

### COCA

After a quiet morning, the market opened with a strong upward bias. The price of cocoa, which has been a major factor in the surge, rose to a new high of £1,250.00 per ton. This was due to a combination of factors, including a shortage of supply and a strong demand for the product.

The price of coffee also rose, to £1.50 per ton. This was due to a similar shortage of supply. The price of wheat rose to £1.25 per ton, and the price of barley rose to £1.00 per ton.

## U.S. Markets

### Cocoa and coffee move up

COPPER rallied on Commodities Exchange and trade short covering. The price of copper, which has been a major factor in the surge, rose to a new high of £115.50 per ton. This was due to a combination of factors, including a shortage of supply and a strong demand for the metal.

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## ILY PRICE CHANGES

Commodity	Unit	Price	Change
Copper	ton	115.50	+0.50
Zinc	ton	45.50	+0.50
Lead	ton	25.50	+0.50
Tin	ton	1250.00	+0.00
Sugar	ton	12.50	+0.50
Coffee	ton	1.50	+0.50
Wheat	ton	1.25	+0.50
Barley	ton	1.00	+0.50

## MARKET REPORTS

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Zinc	ton	45.50	+0.50
Lead	ton	25.50	+0.50
Tin	ton	1250.00	+0.00
Sugar	ton	12.50	+0.50
Coffee	ton	1.50	+0.50
Wheat	ton	1.25	+0.50
Barley	ton	1.00	+0.50

## MARKET REPORTS

Commodity	Unit	Price	Change
Copper	ton	115.50	+0.50
Zinc	ton	45.50	+0.50
Lead	ton	25.50	+0.50
Tin	ton	1250.00	+0.00
Sugar	ton	12.50	+0.50
Coffee	ton	1.50	+0.50
Wheat	ton	1.25	+0.50
Barley	ton	1.00	+0.50



# Tories warned to be ready for election

BY JOHN HUNT

A WARNING that the Conservative Party must be ready for a general election at any time in the wake of Mr. Harold Wilson's resignation was given yesterday by Lord Thorneycroft, chairman of the Conservative Party. At the same time, he ruled out any possibility of a coalition.

His remarks came as he announced an extensive reorganisation of the party apparatus in the country and a new deal for party agents, who have been disgruntled about some aspects of the way the organisation has been run in recent years.

Lord Thorneycroft said Mr. Wilson had retired from a deeply divided party at a time when the country was facing desperately difficult problems.

"Against these facts, a General Election remains a continuing possibility and we must be ready for one at virtually any time. We are in a strong position. Our preparations in Central Office are well in hand to meet any contingency."

The finances of the party had improved, he said, and it had balanced its accounts for the past

12 months. It could now stand on its own feet financially.

According to Lord Thorneycroft, the solution to the country's problems lay not in a coalition but in a General Election. "We are ready, able and willing to fight an election at any time, and in our judgment the sooner the better. We want to establish Margaret Thatcher in No. 10 Downing Street—and not on a short lease either."

Lord Thorneycroft proposed that the Conservative Association in large cities should be fully integrated with their surrounding areas. They had tended to become "city states," largely divorced from Central Office and their own parts of the country, he said.

Under the reorganisation, Deputy Central Office Agents would have their duties redefined, to enable them better to tackle the problems of the large constituencies in the Midlands and the North.

"My policy is not to centralise control in Central Office, but to decentralise responsibilities in a more meaningful way to areas," he said.

# Thorpe returns to attack on democracy theme

BY PETER HENNESSY, LOBBY CORRESPONDENT

AT THE END of a week in which he shored up his leadership of the Liberal Party until the autumn, Mr. Jeremy Thorpe returned last night to his attack on the undemocratic basis of British politics.

He said at a Liberal rally at Bramall, Cheshire: "Britain is barely a democracy at the moment. Government operates at a distance, controlled in many spheres by non-elected officials under the modest guidance of a party supported by a tiny majority of those entitled to vote."

Mr. Thorpe called for an end to adversarial politics and their replacement by an attempt to discover the common ground between the parties. The only way to achieve such a shift would be to reform the electoral system

whereby if only two people in a hundred switched their allegiance at a general election, a change of government ensued.

"A fairer voting system which accurately reflected the wishes of the electorate would ensure some continuity between governments and demand that instead of criticism, carping while they wait for their turn in government, the opposition in Parliament would have to seek the common ground with the party or parties in power which undoubtedly exists," he said.

"Democracy depends on the acceptance of certain basic attitudes towards the way the country should be run. At the moment our adversarial system of politics encourages the exact opposite."

# Marked turn-round in U.K. economy

BY OUR ECONOMICS STAFF

THERE WAS a marked turn-round in the U.K. economy during the fourth quarter of last year, with Gross Domestic Product rising by between 1 per cent and 1.5 per cent, according to provisional calculations made by the Central Statistical Office.

This increase, based on output data, is in line with the general impression given by survey data and assessments made recently by the Confederation of British Industry.

Despite the fourth quarter recovery, GDP in the past six months of 1975, taken together, was still about 1 per cent below the first half's level.

But the fourth quarter's experience, coupled with forward-looking indicators received since, adds weight to the view that the economy is already, before the

Budget, set on quite a marked recovery in output.

Other features of the figures are that company profits also improved. Earnings per share, for example, rose sharply during the second half of 1975, to about the same level as in the second half of 1974.

The average estimate of GDP (based on expenditure, income and output data) was 108.0 (base 1970=100, constant prices) in the fourth quarter of 1975 and 107.2 in the period July-December.

But because of adverse movement in the terms of trade (the ratio of export prices to import prices) during previous years the index of national disposable income in the second half of 1975 was only 103.0 (with the same base of 1970=100).

# Textile group's real profit cut to £2,000 by inflation

BY MICHAEL LAFFERTY, CITY STAFF

TAXABLE PROFITS of plastic textiles group Bernard Wardle are reduced from £27,000 to a mere £2,000 for the year to November, 1975, after adjusting for inflation in accordance with the Sandilands proposals, it is disclosed in the annual report published yesterday.

Nevertheless, the company had to set aside a total of £20,344, for taxes, dividends, and extraordinary items which, with a "real" profit of only £2,000, had to come almost totally out of shareholders' capital.

This new information is given in addition to that recommended by the stock exchange for the

interim period until a new inflation accounting standard has been issued. But it is in accordance with current thinking within the accounting profession.

The Bernard Wardle accounts also show how inflation has further reduced the shareholders' interest in the company by a 90.7m, not largely because of the rate of increase in the value of stocks and fixed assets was the value of money.

In total purchasing power terms, shareholders' funds have dropped by £20,944, to £5,55m, compared with what they were a year previously.

# Prior sees trouble over closed shop enforcement

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. JAMES PRIOR, Opposition spokesman on employment, said last night he had grave forebodings about the Government's attempt to legalise the closed shop with its Trade Union and Labour Relations (Amendment) Bill.

Addressing a meeting of the Conservative Central Council in Norwich, he said the facts of industrial life forced Conservatives to recognise that there were occasions when employers and employees could agree on establishing a closed shop.

"It can assist smooth industrial relations. On the other hand, we hope that trade union leaders are sufficiently of this world to accept that 11 or more million presently non-unionised workers

may be persuaded, but will never allow themselves to be forced or intimidated to join a union. And they can rely on a Conservative government to support them in that attitude," he said.

# SNOW REPORTS

Depth State (mm) of Weather (inches)

London	1.5	Good
Edinburgh	0.5	Fair
Birmingham	0.5	Fair
Manchester	0.5	Fair
Cardiff	0.5	Fair
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TABLE	
Aluminum Life of sum bond.	
£	Year
1,000	2
1,000	3-3
500	3-4
500	5-6
1,000	2
1,000	5-7
2,000	3-5
250	2-4
5,000	5-7
1,000	5-7
1,000	3
1,000	4-7
2,000	5-7

by  
*International*

	Cheap(+) Dear(-)◇
DIRE	Current
- 0.5	- 7.2
10.9	- 3.0
1.4	- 8.7
- 7.4	- 4.4
33.2	- 1.4
7.8	- 10.5
7.1	- 12.3
- 8.8	- 20.3
41.1	- 118.7
27.7	+ 0.9
9.3	- 11.6
38.6	- 3.4

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## STOCK EXCHANGE REPORT

# Quiet close to troubled week in stock markets

## Index 1.8 off at 394.3 for loss on week of 15.7—Gilts firm

## Account Dealing Dates

\*First Dealers Last Account Dealings Date  
Mar. 18 Mar. 19 Mar. 20  
Mar. 22 Apr. 1 Apr. 2 Apr. 13  
Apr. 5 Apr. 14 Apr. 15 Apr. 28  
\*New time "dealings may take place from 9.30 a.m. two business days earlier."

Stock markets found investors extremely unwilling to commit themselves either way in the face of the political uncertainty caused by last Tuesday's resignation of Mr. Harold Wilson as Prime Minister. In the event, the equity leaders tended to drift slightly lower, in idle trading—official markings of 5.75 were the lowest for a month—and the FT 30-share index, down 3.3 at 3 p.m., closed a net 1.8 off at 394.3. This brought the fall on the week to 15.7, while the loss on the Account was 10.4. Yesterday's late rallying tendency was no more than a small mark up by jobbers after 3.30 p.m. as a defensive move against possible buyers for the new Account which begins on Monday.

British Funds, however, made fractional gains where changed, there being no undue share of upset this market with 311.8—being unchanged as expected and with sterling behaving reasonably well with the heat on the French franc. Actual trade in gilts, as in equities, was small and the Government Securities index gained 0.17 to 61.50, leaving a fall on the week of 0.37, while the FT-Actuaries All-Share index declined 0.7 per cent to 162.33, taking the fall on the week to 4.1 per cent.

## Gilts lack incentive

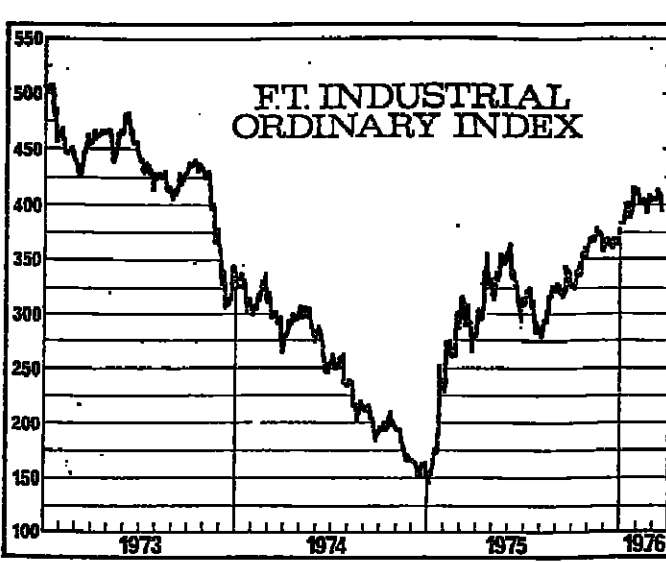
A lack of enterprise was the notable feature in British Funds. The shorts attracted most of a

particularly low volume of business and in the thin trading edged firms, selected low coupon issues made disproportionate rises to 1 because of stock shortages. Other gains rarely exceeded 1, which were fairly general at the medium and longer end and were achieved after hours for no apparent reason. The February retail prices index made no impression on sentiment and the unchanged Minimum Leading Rate was as expected. News of the breakdown in the Rhodesian constitutional talks caused dealers to protectively lower Southern Rhodesian bonds by several points, the 5 per cent, 1978-81, issue being lowered 4 to 241.

Sterling's relative steadiness imparted slight easiness to the investment currency market and the premium drifted down a point to 101.1 per cent. Yesterday's SE conversion factor was 0.671 (0.682).

## Refuge "A" up again

The proposed enfranchisement of the "B" shares continued to help Refuge Assurance "A" which found 8 more to 260p, for a two-day advance of 18; the "B" closed 4 better at 128p. Elsewhere in Life issues, Pearl shaded 6 to 215p and Prudential results due next Thursday softened 2 to 132p. Composites gave ground with Sun Alliance 6 off at 42p and "Royals" 4 down at 53p. Ahead of Wednesday's results, General Accident, the only major composite yet to announce a "rights" issue, eased a penny to 181p. The four banks drifted lower in black trading. Lloyds closed 3 off at 215p, National Westminster shed 7 to 225p, Barclay's 4 to 274p and Midland 2 to 258p. Foreign issues, Standard Chartered and



closed easier for choice with Allen Harvey and Ross, 450p, and Gerard and National, 270p, both 10 lower; Union received 7 to 325p, in erratic Merchant Banks, Manson Finance Trust improved 4 at 35p but Brown Shipley lost 7 to 178p.

Distillers failed to benefit from favourable Press comment and cheapened a penny to 145p, while Tomlin (results due Tuesday) gave up a similar amount to 55p. Small selling in a thin market lowered Carron 7 to 63p, while G. E. Downing, 142p, and Tarmac, 182p, lost 4 apiece. Rugby Portland cement remained a dull market, losing 2 more at 89p for a loss on the week of 9. On a more cheerful note, L. Fareborough hardened 3 to 215p and Inter-2 to 258p. Foreign issues, Standard Chartered and

Stores fluctuated narrowly and ended a quiet day. Following "A" eased 3 to 204p following a reasonable trade. Carrys remained on offer and came back another 4 to 104p. Marks and Spencer, however, closed a penny harder at 94p.

Hawker came on offer in a small way and lost 6 to 40p, while Tube Investments shed 4 to 352p ahead of Wednesday's annual results. Leading Engineering otherwise hovered close to overnight levels, secondary issues displayed an irregular tendency. News items lifted Wolf Tools 4 to 122p, after 128p, and Hall Engineering a like amount to 138p. Press recommendations helped Roper 2 to 150p and Broux 1 to 45p. Elsewhere, Weyburn picked up 10 to 635p, M. Holdings gained another 4 to 7p and Percy Lane 2 more to 22p. On the other hand, Taylor Falls were lower 1p to 55p in a restricted market and Butterfield Harvey slipped 3 to 32p. In Shipbuilding, both C. H. Bailey, 44p, and A. Jones Shipping, 40p, were marginally softer after preliminary statements.

Little interest occurred in Foods. B. Bibby, at 88p, held the previous day's rise of 5 which followed the better-than-expected preliminary figures, while higher first-half profits took Sidney C. Food 2 to 50p. B. B. Food, however, closed a penny cheaper at 31p on small selling in front of Monday's interim statement. Hotels and Caterers had P. H. 21 better at 29p in belated response to the increased interim dividend. J. Lyons "A" contrasted with a fall of 4 to 142p.

## Wheelock Marden

Easier Hong Kong issues were featured, with a fall of 8 at 32p in Wheelock Marden on the proposed "rights" offer and indicated drop in profits. On the other hand, the Australian Broken Hill Industries improved 15 to 75p. The U.K. miscellaneous index showed a fall of 1.8, while the industrial leaders finished little altered after sustaining initial small losses, although Becham, 32p, still saw a fall of 8 at 32p. The Close Bowater, with results due April 2, finished a net penny firmer at 195p, after 181p. Elsewhere, Fairbairn Lawson provided a bright spot at a 1975-76 peak of 29p, up at 29p. Aroused by the company's statement regarding its association with All-Tech Inc. Beaton Clark was also in firm vein, adding 1p to 29p, while the contrast, declined 4 to 125p awaiting preliminary figures, expected next Thursday.

Despite fresh evidence that the industry is moving out of the

recession, Motors and Distributors passed a quiet day. Following the preliminary figures, Lax Service were finally a fraction cheaper at 35p, after 37p, while Oliver Rix closed 1 easier at 21p. On the annual loss. Awaiting Monday's preliminary statement, Roper-Ross held steady at 69p.

Slight easiness in selected Newspapers probably reflected the prospect of increased newspaper charges, although Beaverbrook otherwise hovered close to overnight levels, secondary issues displayed an irregular tendency. News items lifted Wolf Tools 4 to 122p, after 128p, and Hall Engineering a like amount to 138p. Press recommendations helped Roper 2 to 150p and Broux 1 to 45p. Elsewhere, Weyburn picked up 10 to 635p, M. Holdings gained another 4 to 7p and Percy Lane 2 more to 22p. On the other hand, Taylor Falls were lower 1p to 55p in a restricted market and Butterfield Harvey slipped 3 to 32p. In Shipbuilding, both C. H. Bailey, 44p, and A. Jones Shipping, 40p, were marginally softer after preliminary statements.

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Despite fresh evidence that the industry is moving out of the

FINANCIAL TIMES STOCK INDICES									
	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11
Government Secs.	61.50	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Fixed Interest	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Industrial Ordinary	394.3	396.1	397.2	400.0	400.0	400.0	400.0	400.0	400.0
Gold Mines	126.8	126.3	126.3	126.3	126.3	126.3	126.3	126.3	126.3
Ord. Div. Yield %	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32
Barclays 2 1/2 % (1976)	15.44	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33
FT 30 Share Index	394.3	396.1	397.2	400.0	400.0	400.0	400.0	400.0	400.0
Dealing suspended	5.775	5.004	7.777	7.777	7.777	7.777	7.777	7.777	7.777
Equity turnover (£m.)	24.54	17.90	76.50	58.50	63.50	63.50	63.50	63.50	63.50
Equity turnover (m.)	118.847	17.741	20.640	19.582	19.582	19.582	19.582	19.582	19.582

HIGHS AND LOWS									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Secs.	61.50	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Fixed Int.	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Ind. Ord.	400.0	394.3	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Gold Mines	126.8	126.3	126.3	126.3	126.3	126.3	126.3	126.3	126.3

S.E. ACTIVITY									
	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11
Govt. Secs.	61.50	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Fixed Int.	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33	61.33
Ind. Ord.	400.0	394.3	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Gold Mines	126.8	126.3	126.3	126.3	126.3	126.3	126.3	126.3	126.3

BASE LENDING RATES									
	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11
Allied Irish Banks Ltd.	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
American Express Bank	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Anglo-Portuguese Bank	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Barclays Bank	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Cyprus	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of N.S.W.	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Rome S.A.	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Barclays Bank	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Barnett, Christie Ltd.	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bremar Holdings Ltd.	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of India	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of China	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Japan	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Korea	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Siam	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Thailand	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Vietnam	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Laos	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Cambodia	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Ceylon	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Malaya	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Singapore	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Brunei	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Sarawak	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Sabah	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Borneo	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Sumatra	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Java	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Bali	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Sulawesi	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Kalimantan	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Irian Jaya	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Papua New Guinea	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Solomon Islands	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Vanuatu	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Fiji	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Tonga	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Samoa	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Cook Islands	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Niue	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Tokelau	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Kiribati	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Tuvalu	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Nauru	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Marshall Islands	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Micronesia	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Palau	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Federated States of Micronesia	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Nauru	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Marshall Islands	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Micronesia	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Palau	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Bank of Federated States of Micronesia	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Friday, March 19, 1976										Thurs. March 18					Wed. March 17					Tues. March 16					Monday March 15					Year ago (approx.)					Highs and Lows Index																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	Est. Earnings Yield % (Mar. Corp. Tax 22%)	Gross Div. Yield % (Mar. Corp. Tax 22%)	Est. P/E Ratio (net)	Est. P/E Ratio (rd)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index 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[illegible]

## INSURANCE, PROPERTY, BONDS

## REGIONAL MARKETS

Section of the share prices previously shown under regional headings is given with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on 1st January.

12	Gold State (S)	308	Sullo Shann	25
13	Gold State (S)	308	Sullo Shann	25
14	Gold State (S)	308	Sullo Shann	25
15	Gold State (S)	308	Sullo Shann	25
16	Gold State (S)	308	Sullo Shann	25
17	Gold State (S)	308	Sullo Shann	25
18	Gold State (S)	308	Sullo Shann	25
19	Gold State (S)	308	Sullo Shann	25
20	Gold State (S)	308	Sullo Shann	25
21	Gold State (S)	308	Sullo Shann	25
22	Gold State (S)	308	Sullo Shann	25
23	Gold State (S)	308	Sullo Shann	25
24	Gold State (S)	308	Sullo Shann	25
25	Gold State (S)	308	Sullo Shann	25
26	Gold State (S)	308	Sullo Shann	25
27	Gold State (S)	308	Sullo Shann	25
28	Gold State (S)	308	Sullo Shann	25
29	Gold State (S)	308	Sullo Shann	25
30	Gold State (S)	308	Sullo Shann	25
31	Gold State (S)	308	Sullo Shann	25
32	Gold State (S)	308	Sullo Shann	25
33	Gold State (S)	308	Sullo Shann	25
34	Gold State (S)	308	Sullo Shann	25
35	Gold State (S)	308	Sullo Shann	25
36	Gold State (S)	308	Sullo Shann	25
37	Gold State (S)	308	Sullo Shann	25
38	Gold State (S)	308	Sullo Shann	25
39	Gold State (S)	308	Sullo Shann	25
40	Gold State (S)	308	Sullo Shann	25
41	Gold State (S)	308	Sullo Shann	25
42	Gold State (S)	308	Sullo Shann	25
43	Gold State (S)	308	Sullo Shann	25
44	Gold State (S)	308	Sullo Shann	25
45	Gold State (S)	308	Sullo Shann	25
46	Gold State (S)	308	Sullo Shann	25
47	Gold State (S)	308	Sullo Shann	25
48	Gold State (S)	308	Sullo Shann	25
49	Gold State (S)	308	Sullo Shann	25
50	Gold State (S)	308	Sullo Shann	25
51	Gold State (S)	308	Sullo Shann	25
52	Gold State (S)	308	Sullo Shann	25
53	Gold State (S)	308	Sullo Shann	25
54	Gold State (S)	308	Sullo Shann	25
55	Gold State (S)	308	Sullo Shann	25
56	Gold State (S)	308	Sullo Shann	25
57	Gold State (S)	308	Sullo Shann	25
58	Gold State (S)	308	Sullo Shann	25
59	Gold State (S)	308	Sullo Shann	25
60	Gold State (S)	308	Sullo Shann	25
61	Gold State (S)	308	Sullo Shann	25
62	Gold State (S)	308	Sullo Shann	25
63	Gold State (S)	308	Sullo Shann	25
64	Gold State (S)	308	Sullo Shann	25
65	Gold State (S)	308	Sullo Shann	25
66	Gold State (S)	308	Sullo Shann	25
67	Gold State (S)	308	Sullo Shann	25
68	Gold State (S)	308	Sullo Shann	25
69	Gold State (S)	308	Sullo Shann	25
70	Gold State (S)	308	Sullo Shann	25
71	Gold State (S)	308	Sullo Shann	25
72	Gold State (S)	308	Sullo Shann	25
73	Gold State (S)	308	Sullo Shann	25
74	Gold State (S)	308	Sullo Shann	25
75	Gold State (S)	308	Sullo Shann	25
76	Gold State (S)	308	Sullo Shann	25
77	Gold State (S)	308	Sullo Shann	25
78	Gold State (S)	308	Sullo Shann	25
79	Gold State (S)	308	Sullo Shann	25
80	Gold State (S)	308	Sullo Shann	25
81	Gold State (S)	308	Sullo Shann	25
82	Gold State (S)	308	Sullo Shann	25
83	Gold State (S)	308	Sullo Shann	25
84	Gold State (S)	308	Sullo Shann	25
85	Gold State (S)	308	Sullo Shann	25
86	Gold State (S)	308	Sullo Shann	25
87	Gold State (S)	308	Sullo Shann	25
88	Gold State (S)	308	Sullo Shann	25
89	Gold State (S)	308	Sullo Shann	25
90	Gold State (S)	308	Sullo Shann	25</

## INVESTMENT IN METALS

per. Tin, Lead, Zinc, Silver and other precious and industrial  
metals may be purchased for investment through  
our Commodity and Futures Department, through  
any of our branch offices or through our London and New York  
representatives. The minimum investment is \$3,000.

**RAWLTON COMMODITIES LIMITED**

24 Belmont Rd., St. Helier, Jersey, Channel Islands.  
Tel. Jersey: 0760 2132. Telex: 3325.  
Cable: 41385

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**12** % EST. GROSS YIELD  
**% P.A.**  
**PAID QUARTER**  
**MIN. 100**  
**INCREASE OR WITHDR.**  
**AT ANY TIME**

\* During this offer units may be bought or sold daily—  
—throughout the week.

**1. FIRST and foremost for a high and increasing income.** units and the income from them can go down as well as up.

**2. POTENTIAL:** Your  
—consists of—  
—shares entitled to  
—profits before  
—any shares.  
It level investment trust  
one shares entitled to all or  
—of the income available  
the trust.  
—one shares with dividends  
—covered by earnings.  
—ones, investments will be  
—to achieve a high income.

**3. RISKY:** Any risk inherent in  
—of shares is minimised.  
—the covered by  
—nante, particularly through  
—estment trusts. Shares are  
—selected not only for  
—also for possible  
—appreciation of capital and  
—income.

**4. Remember that the price of**

**POTENTIAL GAIN:** In the case of a rise in the yield and interest rates fall the price of your units should rise and therefore the capital value of your investment will increase. A carefully selected portfolio of high yield shares, under skilled management, should produce above average capital growth.

**INCREASING QUARTERLY PAYMENTS:** As a unit trust we can invest overseas and also in companies specially allowed to increase their dividends. We intend to pay out all our income each year to unit holders. In this way we aim to increase your quarterly payments, without being restricted by any restraint on dividend increases.

## Lawson High Yield Fund

The cartoon provides a compromise between a high starting income and future growth prospects. The capital growth potential should be looked on as an afterthought. Financial Times 24/1/76.

The Managers reserve the right to close this offer at any time if the true sales by more than 20% from this fixed offer price. Telephoned Orders accepted up to 5:00pm daily—ring 031-226 3911. A wider range trustee y.A unit trust authorized by the Department of Trade. Units purchased by oct 1976 will qualify for the quarterly payment to be made on the 15th

20. A 3% interim charge is included in the price. An applicable rate of 17% is added to gross income. 14% commission is paid to agents. Trustees and  
 21. Cydonia Bank Ltd (member of the Midland Bank Group)  
 22. is Whitney Murray & Co Chartered Accountants, Managers-Lawson  
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**Abstract**—The purpose of this study was to determine if there were differences in the prevalence of musculoskeletal disorders between two groups of nurses working in different departments of a tertiary care hospital. The study included 60 female nurses who worked in the intensive care unit (ICU) and 60 female nurses who worked in the medical-surgical department. Data were collected from a self-administered questionnaire that assessed demographic characteristics, work-related factors, and musculoskeletal symptoms. Results showed that the prevalence of musculoskeletal disorders was higher among ICU nurses than among medical-surgical nurses. The most common musculoskeletal disorder reported by both groups was low back pain. The results suggest that interventions aimed at reducing the prevalence of musculoskeletal disorders should focus on the specific work-related factors associated with each group.

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## MAN OF THE WEEK

### Labour's Welsh wizard

BY PETER HENNESSY

WHEN THE name of the next Prime Minister is announced to the Parliamentary Labour Party, it will be delivered in fine Welsh tones by Mr. Cledwyn Hughes, chairman of the PLP. None of the candidates at any stage of the exhaustive balloting will be told the result in advance. They too will be hanging on every lilted cadence.

Mr. Hughes, who rejoices in the description of being the archetypal Welsh JP, is a member of what is known as Westminster as the "affairocracy"—the parliamentary branch of the "Welsh Mafia" which includes the Lord Chancellor, Lord Elwyn Jones, and the Speaker, Mr. George Thomas, among its number.

A son of the manse and a devout Presbyterian, Mr. Hughes spent last Tuesday morning preparing the Lenten address he was to have given in Truro Cathedral next week, when he was summoned at 11.15 to No. 10 Downing Street to be told by Mr. Wilson of his impending resignation. Asked to invent an election procedure to cope with the unprecedented event of a Labour Prime Minister resigning in office, in a matter of hours



Cledwyn Hughes

he had completed the task and secured the approval of both the PLP/Government liaison committee and an emergency meeting of the PLP itself.

Very much the family solicitor last Tuesday evening, he told Labour MPs there was the great responsibility of electing not only a party leader but a Prime Minister as well. Mr. Hughes's role is now essentially a supervisory one. But should the leadership contest turn nasty—and he is quite convinced that it will not—with the respective campaign managers showing, perhaps, a surfeit of Mayor Daley-type zeal, or their stand-bys resorting to the use of inflammatory language about each other's virtues, he will call them in individually and remind them that the party has a code of conduct which must be obeyed on such occasions.

Mr. Hughes's own vote is expected to go to Mr. Jenkins—whose acolytes see the support of Mr. Hughes as living proof that the Home Secretary's following is far wider than the e-art-supply, radical chic of Right-wing metropolitan Tribunes imaginings—though not a trace of his own partiality will show in Mr. Hughes's speech or action in the next two weeks. Cledwyn Hughes is one of those Herbert Morrison called "the useful people." Pairs of hands come no safer.

He found a new outlet for his usefulness when he won the chairmanship of the PLP as candidate of the Centre and Right, from Mr. Ian Mikardo in October 1974. All signs of the party now respect him for as one Left-winger put it, he abides the golden rule of Labour Party chairmen that everyone must be allowed his say, however prolix and devoid of content.

### The strain

Mr. Hughes is phlegmatic about the inevitable strain of holding the disparate elements of the PLP together. "I think that basically the PLP is totally committed to parliamentary democracy in that the great majority are social democrats. This is not to be in any way derogatory of members who have, how shall I say, a more classic Left-wing view," he adds.

Passions will run high in the precincts of Westminster in coming days as well as at the PLP meetings assembled to hear the results. Mr. Hughes will imitate the non-sensory style of his hero Mr. Attlee. He was pleased as Punch two weeks ago when the Foreign Secretary, Mr. Callaghan, said of the difficult PLP gathering after the Government's defeat in the public expenditure debate, that he had not seen a meeting better handled since Attlee's time.

## Mark goes through snake ceiling

BY MICHAEL BLANDEN

SPECULATIVE BUYING of the West German mark continued to bring pressure on the European joint floating arrangement—the snake—yesterday after a week of widespread turmoil in the foreign exchange markets.

In late dealings last night, after the European central banks had ended the day's support operations, the mark again burst through the ceiling set by the snake arrangement against the currencies of several of its partners.

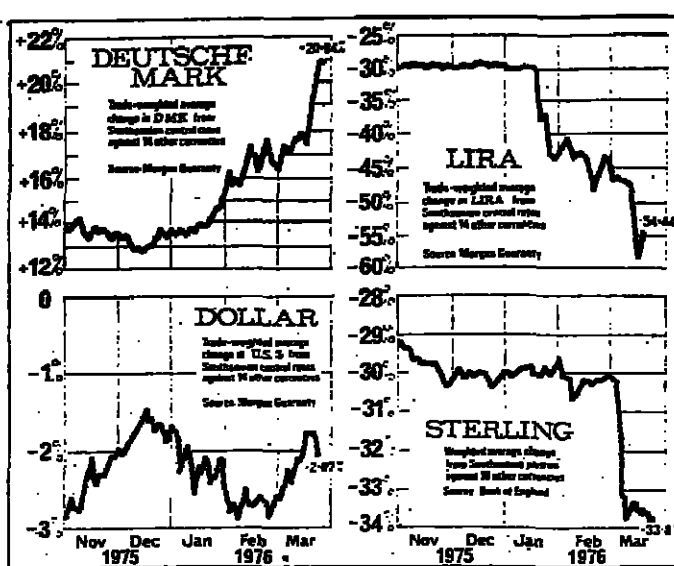
After repeated assurances during the week that the mark would not be revalued and the snake would not be allowed to break up, the market was rather quieter in earlier dealings yesterday.

Further considerable support was again required, however, for the weakest snake members—the Belgian franc and the Danish krone—and later in the day conditions became increasingly nervous.

Whereas a widespread feeling in the market that, in spite of the week's determined action by European central banks it may have cost them at least \$500m. in reserves to maintain the snake—at some stage there will have to be an official move to alter the alignment of the main member currencies.

The unrest affected sterling, which has reached new lows against the strong German mark, and last night the pound closed at an average depreciation against other currencies since December 1971 of 33.8 per cent.

The pressure on the snake has followed last week's decision by France to pull out of the joint arrangement. It has been mainly concentrated on the Belgian franc—released on Monday from the narrower range of fluctuation permitted within the mini-snake against the Dutch guilder—and the Danish krone. The Belgian and Danish currencies remained at floor level



yesterday against the German mark, with considerable support reported both by their own central banks and by the West German Bundesbank. In Brussels, support was estimated at between DM70m. and DM120m. (£14m. to £24m.).

In Frankfurt, the Bundesbank was again supporting its snake partners, and at the same time it bought more U.S. dollars—\$25m. at yesterday's exchange rate fixing—in order to hold down the value of the mark.

Other snake currencies have also been affected, including the Dutch guilder within the EEC and the Norwegian currency. The height of the pressure was reached on Wednesday, when in late dealings the mark moved above its ceiling against all its snake partners except the Swedish krona.

In spite of the rather quieter conditions through most of yesterday, the mark was last night again showing a margin up to 21 per cent. against the Belgian franc, the guilder and the Danish and Norwegian currencies compared with the permitted 21 per cent. range from the snake central rate.

Outside the snake, the French franc slipped a little further, and at 1.883 to the mark was showing an effective depreciation of some 5.5 per cent. against the German currency compared with last Friday's levels.

The Swiss franc, which had shared the strength of the Mark in Europe in the latter part of the week and prompted buying of dollars by the Swiss authorities, remained strong.

### Lira stronger

The Italian lira, which has suffered from the special uncertainties surrounding the political situation, has improved in the past two days, since slumping by over 10 per cent. in the first three days of the week.

After the emergency fiscal measures introduced by the Italian government on Wednesday night, the lira ended yesterday at 385½ to the dollar with the Italian markets closed for a holiday, against a low point of 1.888 to the dollar.

The U.S. dollar, indirectly affected by the currency upsets, slipped a little yesterday with its average depreciation widening again from 1.93 per cent. to 2.07 per cent.

Currency fears brought a new wave of price increases on the London commodity markets. The Financial Times commodities index, which represents both sterling and dollar commodities, has now reached 192.55, its highest point since December 1974.

Europe's good new-fashioned currency crisis Page 14

## Saudi oil find worth \$70bn.

BY DAVID BELL

WASHINGTON, March 19.

THE ARABIAN American oil company, Aramco, confirmed today that it had discovered three new oil fields in Saudi Arabia with a total of about 7bn. barrels of proven reserves—just under half the 15-16bn. barrels believed to lie under U.K. waters in the North Sea.

The new discovery adds only about 7 per cent. to Saudi reserves, but it is worth about \$70bn. at present market prices and brings the country's total reserves to about 176bn. barrels.

### Strength

It also underlines Saudi strength as the third largest oil producer in the world and confirms earlier reports that there is still a significant amount of oil to be found there both on and off shore.

Aramco, a consortium of Standard Oil of California, Exxon, Mobil and Texaco, is jointly owned by the four companies and the Saudi Government.

Secret talks concerning the Saudi takeover of the remaining 40 per cent. of the company which it does not already own were held this month in Florida.

Mr. Frank Junger, chairman, told the New York Times today that he expected the takeover to be completed within nine months. He refused to discuss the terms of the deal.

### Business

Mr. Junger disclosed the existence of the fields in the same interview with the New York Times. Aramco this morning confirmed that the first was about 30 miles off the Gulf coast, the second further out still and the third onshore, 75 miles south of the neutral zone border and 85 miles inland from the Gulf coast.

Mr. Junger said that the new discovery "makes us feel we are going to be in business for a while."

He did not think the Saudi takeover of the remaining 40 per cent. of Aramco was going to make very much difference to the running of the company.

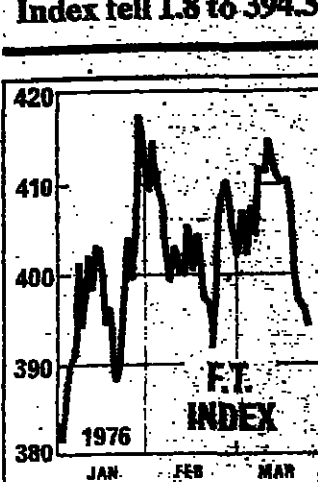
He expected Saudi oil production to rise to between 7.5m. and 8m. barrels a day during the rest of this year as the world recession came to an end.

## THE LEX COLUMN

### A muted tribute from the City

The 30-Share Index has fallen 15.7 points since the Prime Minister handed in his cards, which is a kind of muted tribute from the City. But the market is not expecting any dramatic change in policy from his successor. The declines were not accompanied by selling on any scale—the total of bargains marked yesterday was one of the lowest this year. And although there could be some further nervousness if Mr. Foot shows up well in the early voting, this week's events have not disturbed the general consensus, that equities will go ahead to reach new peaks this year. The All-Share Index is only 7 per cent. below its January 30 high point.

Index fell 1.8 to 394.3



The money markets have been equally calm. Money has been very easy, which must partly reflect the continuing absence of gilt-edged sales by the Government. This shows up in the Treasury bill yield, which is to soar to a net 250m. next week, and it will soon be reflected in the money supply figures. But the gilt-edged market must already be discounting a short-term acceleration here.

Barclays is currently the best regarded of the Big Four clearing banks in the stock market in the sense that it is selling on the lowest yield—now just over 5 per cent. The rivals suffer from various disadvantages. Lloyds, for instance, has embarked on a large rights issue which almost required help from the underwriters this week. Midland has low dividend cover. National Westminster has lost status through getting too deeply involved in the troubled financial and property sectors. Barclays, however, has a solid record and a large and successful overseas operation.

But Barclays's p/e ratio is below the average for industrial shares, emphasising that banking earnings are not too highly regarded at present. Mr. Anthony Tuke, chairman of Barclays, remarks in the report that inflation should be reflected in the accounting of banks. He might have gone on to say that maintaining the real value of the group's free capital last year would have required nearly £100m., leaving insufficient earnings to cover the dividend. But after falling from 3.2 to 2.8 per

cent, Barclays's free capital ratio is still above the clearing bank average.

### Far East traders

Since Darby is still in target for a useful rise in earnings this year. Profits after six months are just \$0.8m. higher at \$18.3m. pre-tax, but that compares with \$8.4m. in the second half of 1974-75. The tax charge is now coming down sharply, and the current half to June will gain from both improved commodity prices and the weakness of sterling.

But Sime's results rarely arrive without the old reservation. For one, interest savings on the cancellation of the convertible accounted for more than four-fifths of the interim profit gain, and secondly, the known make-up of profits indicates that the group still contains a number of very weak trading areas.

Excluding interest savings profits are barely changed, but the upturn at Sino London and Tractors has probably brought an extra £1m. while a turnaround out of the red at China Engineers was probably worth close on \$5m. Against that plantation profits fell roughly \$3m. Still, below the line there are consolations. The tax charge—56 per cent. against 71 per cent. overall in 1974-75—would have been three points lower but for an exceptional provision.

The shares rose 3p to 106p yesterday, including the premium, and if market estimates of earnings reaching 54p per share for 1975-76 prove correct the ex-premium p/e is around 12½. By contrast the latest news from Wheelock Marden may be

something of a joke in Hong Kong market as of nearly a third of a year. A right issue rumoured for some time, Wheelock has now announced a \$10m. rights issue, which is a sharp fall in price since Wheelock's share price has fallen from 1.50 to 1.20. It will take quite a while to get the faith in Hong Kong much immediate and ex-premium multiple 16.

### Lex Service

At 10.09m. again Lex Service Group's tax profits came better than general, aided by a rise of 10p in the second operating profits, and the pre-tax profit from the drop in charges, thanks to lower average plant money rates. Moreover, the U.S. hotels has pushed up the charge to near 70 cents after dividend and extraordinary is nothing to add to worth. The latter \$34m. (including on goodwill) against \$48.1m., down £1.5m. year.

But for 1976 Lex's some more tangible means. The Vols. holding steady at it end, and the new small model has market share to near moreover, Leyland's risen slightly. In Heathrow is said to into profits, at least interest level, and losses are being re goes well this year profits rise, in case and the tax ch to normal—earning to share a long way 2 to a share of 1975. But eased 3p to 35p, strained by the yield of 6.5 per cent. turning high risks thought that at end will have to under degrading move.

## Electricity prices to rise 16½ per cent. by July

BY ROY HODSON

A SERIES of price increases approved by the Price Commission and Mr. Anthony Wedgwood Benn, the Energy Secretary, will raise the price of electricity to domestic consumers by an average of 16½ per cent. by mid-summer.

Commercial and industrial

customers will face increases of about 13 per cent., averaged across the whole country. More than £300m. will be added to electricity bills during the financial year 1976-77.

The Commission and Mr. Benn have finally sanctioned the increases in electricity prices proposed in February by the Electricity Council on behalf of the 12 area boards.

Domestic consumers' quarterly bills will go up on average by 11 per cent. from April 1 because of inflation. There are to be another two price rises, however, of 1½ per cent. next month and 4 per cent. in July to take account of an increase of 15 per cent. in the cost of power station coal from March 1.

The electricity industry's fuel bill has been raised by an extra £150m. a year by the increase in the price of coal. The new prices will show first in the electricity bills sent out in July and actual prices will vary from region to region.

Some regions announced their new tariffs last night. The South Western Electricity Board is raising prices for domestic users on the ordinary tariff by 14 per cent. and for off-peak users by 8½ per cent.

The North Eastern Electricity Board said that domestic customers in its region would pay on average 15½ per cent. more, commercial consumers 11 per cent. more, and industrial consumers 8 per cent. more.

Chris Baur writes: The two Scottish electricity boards announced tariff increases of about 20 per cent. last night. For both the South of Scotland Electricity Board and the North of Scotland Hydroelectric Board, the increase is the first for a year.

### Weather

#### U.K. TO-DAY

DRY, bright spells. London, E. Anglia, Cent. and N.W. England, Midlands, Lakes. Dry, bright spells. Wind S.E. light or moderate. Max. 6C (43F).

E. and N.E. England. Occasional showers, bright intervals. Wind E. or S.E. moderate. Max. 4C (39F). Channel is. S.W. England, S. Wales.

Dry, cloudy. Wind S.E. moderate. Max. 10C (50F). N. Wales, I. of Man, Scotland, N. Ireland, Orkney, Shetland. Occasional rain, hill fog. Wind S. fresh or strong. Max. 8C (46F).

Outlook: Dry, sunny spells. Some rain in North. Lightning: London 18.43, Manchester 18.52, Glasgow 19.00, Belfast 19.07.

#### BUSINESS CENTRES

	Y'day	mid-day	Y'day	mid-day
	°C	°F	°C	°F
Alexandria	15	59	16	61
Amburg	10	50	11	52
Amsterdam	10	50	11	52
Antwerp	10	50	11	52
Barcelona	16	61	17	63
Berlin	10	50	11	52
Bombay	28	82	29	84
Buenos Aires	16	61	17	63
Calcutta	28	82	29	84
Canton	22	72	23	73
Cebu	28	82	29	84
Colon	28	82	29	84
Hankow	22	72	23	73
Hong Kong	22	72	23	73
Kobe	16	61	17	63
London	10	50	11	52
Lyons	10	50	11	52
Manila	28	82	29	84
Medan	28	82	29	84
Osaka	16	61	17	63
Paris	10	50	11	52
Rangoon	28	82	29	84
San Francisco	16	61	17	63
Singapore	28	82	29	84
Sourabaya	28	82	29	84
Taipei	22	72	23	73
Tokyo	16	61	17	63
Yokohama	16	61	17	63

#### HOLIDAY RESORTS

	Y'day	mid-day	Y'day	mid-day
	°C	°F	°C	°F
Algeria	16	61	17	63
Algiers	16	61	17	63
Barcelona	16	61	17	63
Bombay	28	82	29	84
Buenos Aires	16	61	17	63
Calcutta	28	82	29	84
Canton	22	72	23	73
Cebu	28	82	29	84
Colon	28	82	29	84
Hankow	22	72	23	73
Hong Kong	22	72	23	73
Kobe	16	61	17	63
London	10	50	11	52
Lyons	10	50	11	52
Manila	28	82	29	84
Medan	28	82	29	84
Osaka	16	61	17	63
Paris	10	50	11	52
Rangoon	28	82	29	84
Singapore	28	82	29	84
Sourabaya	28	82	29	84
Taipei	22	72	23	73
Tokyo	16	61	17	63
Yokohama	16	61	17	63

S-Sunny; F-Fair; C-Clouds; R-Rain; S-Sleet; SN-Snow; Snow reports Page 22

Continued from Page 1

## Rhodesia talks

whether he was prepared to accept parity in the Cabinet immediately a settlement was agreed.

If his franchise proposals were to have been accepted, it seems there would have been a white majority in Parliament for the next 10 to 15 years.

The ANC's proposals, on the other hand, provided for an interim Government of one year, followed by an election for a Parliament in which a third of the seats would have been held by whites and two-thirds by Africans elected on the basis of universal suffrage.

The ANC called Mr. Smith's proposals "racial and contemptuous." Declaring that it had been prepared to offer protection for minorities, it said: "We wanted to build a nation of people, not of races."

Malcolm Rutherford writes: The British Government last night issued a statement "greatly regretting" that the talks had been broken off, but it is still hoping that they may be resumed later.

The hope is based on the sentence in the Smith-Nkomo communiqué which says that

breaking off the talks would provide an opportunity for consultation and co-operation.

The Foreign Office had no immediate plans for further contacts with Mr. Smith, but thought it possible that Mr. Nkomo would be shortly arriving in London to consult Mr. Callaghan, the Foreign Secretary.

It also emerged yesterday that the British Government is engaged in intensive discussions with the Russians over the Soviet role in Southern Africa. The subject is likely to be high on the agenda when Mr. Andrei Gromyko, Soviet Foreign Minister, arrives in London for talks on Monday.

In preparation there have been three top level meetings with Mr. Nikolai Lunov, Soviet Ambassador, in the last seven days. Mr. Lunov was called in by Mr. Wilson last Friday, called on Mr. Callaghan at his own request on Wednesday and was called back by Mr. Callaghan yesterday.

These discussions go much wider than Rhodesia, though there are now some British fears that the Soviet Union might be tempted to allow Cuban intervention in that country.

Continued from Page 1

## Callaghan and Foot

in the race or his outspoken attack on the Left in the Commons would undermine his chances.

The Prime Minister brushed off the responsibilities of the office he will shortly shed last night. In a jaunty speech to the Press Labour Club, he declared that he had achieved his ambition of making Labour the natural party of Government.

He also cast his eyes over Labour's rivals in Parliament and revealed a lingering

partiality for the Liberal Party, of which he had been a member in his university days at Oxford.

"Give or take half a ton of aberrant loyalty, they really are, man-for-man, better than anything you can see on the Conservative front bench—and they certainly carry more weight," said Mr. Wilson.

J. Corak: Callaghan 4/9; Jenkins and Foot 6/1; Healey 7/1; Crosland 28/1; Benn 50/1.

## Ambulance men work-to-rule

AMBULANCE services in the London area will be severely disrupted from Monday morning as the result of a decision last night by 270 London ambulance officers to work to rule in support of a pay claim. Emergency calls will be given priority, they said last night.

The officers claim that they would be downgraded in a new pay structure which should have come into force last May.

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 Full Name(s)  
 Address(es)  
 Share certificate(s) please  
 Tick box for details  
 Monthly dividend  
 Tick box for details

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